

STATE OF NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT



For Fiscal Year Ended
March 31, 2002



*Prepared by the Office of the
State Comptroller*



H. Carl McCall • State Comptroller

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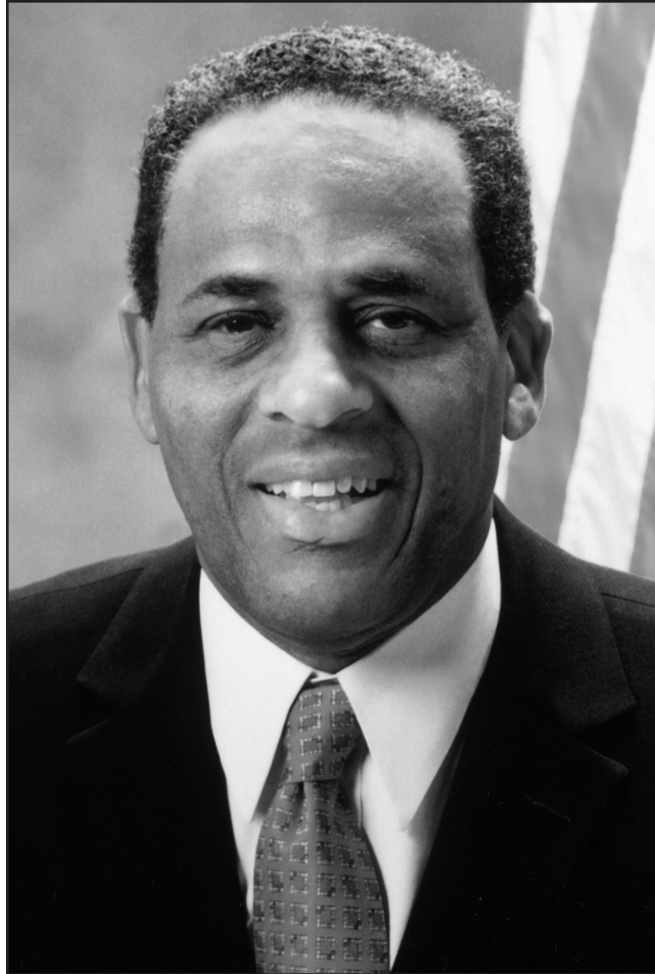
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Introductory Section



H. CARL McCALL
State Comptroller



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

H. CARL MCCALL
STATE COMPTROLLER

July 19, 2002

**To the Citizens, Governor and Members of the
Legislature of the State of New York:**



am pleased to present this year's Comprehensive Annual Financial Report for New York State for the year ending March 31, 2002. This Report includes the financial statements that convey the State's financial position and operating results presented in accordance with Generally Accepted Accounting Principles.

This year, the State's weakening financial position has been accompanied by a growing public mistrust of those who audit and prepare financial statements. After six consecutive years of surpluses, this year the General Fund reported an operating deficit of \$3.4 billion, caused by a combination of the State's weakened economy and policymakers' inability to address the State's structural imbalance between recurring revenues and recurring expenses.

The change in the State's financial condition has made it even more crucial for State officials to assure the public that everything possible is being done to safeguard their tax dollars and pension funds. As New York's Chief Financial Officer and sole trustee of the New York State and Local Retirement Systems, I am, and have been, fully committed to bringing enhanced public accountability, integrity and transparency to the way the State conducts its business.

I have taken steps to increase disclosure, accountability and integrity regarding financial statements. Specifically, this year I issued an Executive Order affecting all audit engagements contracted by my Office. The Order prohibits auditors from providing many non-audit services to audit clients, limits auditor relationships to a maximum of seven years, and prohibits auditors from accepting employment with my Office within two years following work on an audit.

I have also encouraged and supported Congressional action to enhance auditor independence, and as a member of the New York Stock Exchange Board of Directors, I helped develop recommendations that require new standards and changes in corporate governance and disclosure practices for listed companies.

The citizens of New York State have a right to expect integrity of government and corporate officials, and to have a disclosure process that provides comprehensive, accurate, and clear financial reports and disclosures that are understandable.

This past year, New York and this nation suffered a terrible attack from which we are still recovering. The attack on our soil, and its impact on our economy, shows more than ever how important it is for New York to put our fiscal house in order.

For years, my reports on New York's finances have focused on the fundamental fiscal issues that will determine the State's financial future. Indeed, I believe that many of these ongoing practices, including the over-reliance on debt and fiscal gimmickry and the lack of commitment to true budget reform, are central to New York's financial standing and will affect New Yorkers for many years to come.

Policymakers' failure to improve fiscal practices has had an unmistakable impact on New York's finances. New York's combined State and local taxes remain among the highest in the nation, outstanding debt is the highest in the nation and more than \$16 billion in additional debt is planned to be issued over the next five years; meanwhile, our available reserves are among the lowest in the nation. We face an uncertain economy, but without the resources we could have had with proper foresight and vision.

New York has unmatched potential. By developing stronger fiscal practices that prepare our State for the future, our growth can ensure financial prosperity for our children and ourselves.

The Comprehensive Annual Financial Report could not have been prepared without the full cooperation of all State agencies within the Executive Branch, the Legislature, the Judiciary, and public benefit corporations. I particularly want to commend the dedication and professionalism demonstrated by my staff in the Office of the State Comptroller in serving New York's taxpayers.

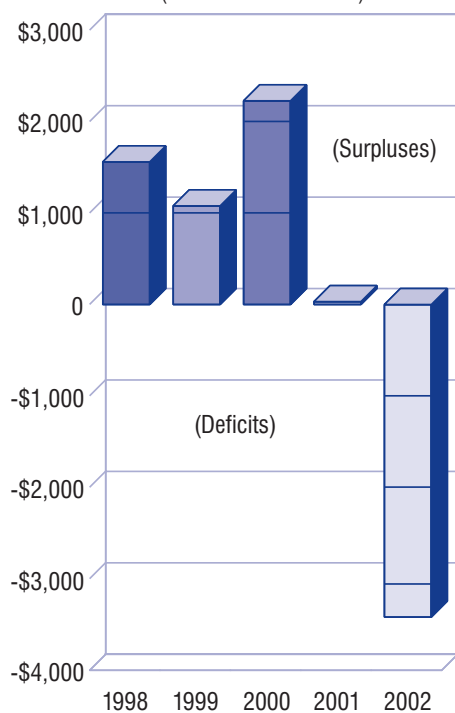
Sincerely,

A handwritten signature in black ink, appearing to read 'H. Carl McCall', written in a cursive style.

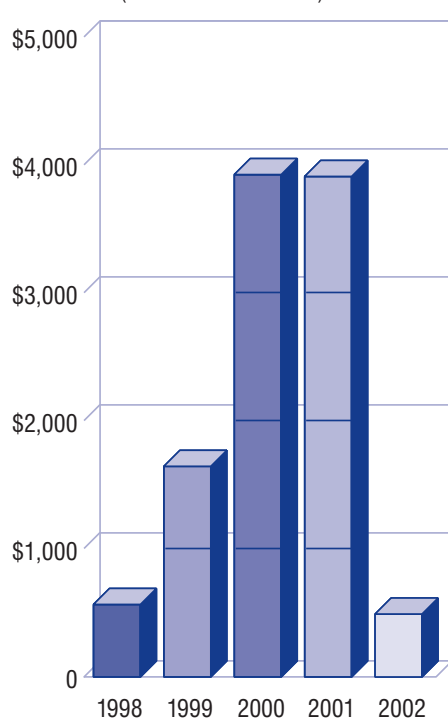
H. Carl McCall
State Comptroller

FINANCIAL OVERVIEW

**GENERAL FUND
OPERATING RESULTS**
(AMOUNTS IN MILLIONS)



**GENERAL FUND
ACCUMULATED SURPLUS**
(AMOUNTS IN MILLIONS)



This report has been prepared in accordance with generally accepted accounting principles ("GAAP") for governments as promulgated by the Governmental Accounting Standards Board. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, included within the Comprehensive Annual Financial Report rests with the Office of the State Comptroller. The general purpose financial statements contained in this report have been audited by KPMG, LLP. Their audit was conducted in accordance with generally accepted governmental auditing standards and their auditors' report precedes the general purpose financial statements. The unqualified auditors' report attests that the State's financial information is fairly presented in accordance with GAAP. In addition, the Office of the State Comptroller was honored for the thirteenth consecutive year to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the State's 2001 Financial Report. This prestigious award represents the highest form of recognition in the area of governmental financial reporting and reflects a commitment to clearly communicate the State's financial results and position to the taxpayers through public disclosure. The Office of the State Comptroller is on schedule to implement Statement 34, issued by the Governmental Accounting Standards Board, for the fiscal year ending March 31, 2003.

The Reporting Entity and Its Services

The funds and entities included in this Comprehensive Annual Financial Report are those for which the State is accountable, based on criteria for defining the financial reporting entity prescribed by the Governmental Accounting Standards Board. The criteria includes legal standing, fiscal dependency and financial accountability. Based on these criteria the various funds, account groups and entities shown in this report are considered as part of the reporting entity (see Notes 1 and 15 of the Notes to the Financial Statements).

The State provides a range of governmental services in such areas as education, social services, health and environment, criminal justice, transportation, mental hygiene, and housing, among others, and also administers the State and Local Retirement Systems.

General Governmental Results

An operating deficit of \$3.42 billion is reported in the General Fund for fiscal year 2001-02. As a result, the General Fund now has an accumulated surplus of \$493 million. The State completed its fiscal year ended March 31, 2002 with a combined Governmental Funds operating deficit of \$4.45 billion as compared to a combined Governmental Funds operating surplus for the preceding fiscal year of \$1.373 billion, as restated. The combined 2001-02 operating deficit of \$4.45 billion included operating deficits in the General Fund of \$3.42 billion, Special Revenue Funds of \$970 million, and Capital Projects Funds of \$134 million, offset by an operating surplus in the Debt Service Funds of \$76 million. The 2000-01 combined operating surplus of \$1.373 billion, as restated included operating surpluses in the General Fund of \$32 million, Special Revenue Funds of \$1.252 billion, and Capital Projects Funds of \$109 million, offset by an operating deficit in the Debt Service Funds of \$20 million.

The State's financial position as shown in its Combined Balance Sheet as of March 31, 2002 includes a fund balance in its Governmental Funds of \$5.125 billion represented by liabilities of \$17.482 billion and by assets available to liquidate such liabilities of \$22.608 billion. The governmental funds fund balance includes a \$493 million accumulated General Fund surplus.

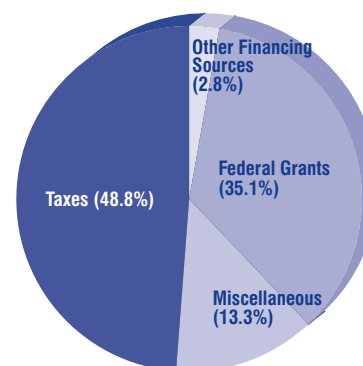
Revenues and other financing sources of the Governmental Funds totaled \$85.413 billion, a decrease of \$882 million (1.02%) over the previous year. The revenues and other sources, net of eliminations for operating transfers among Governmental funds, and the change from the previous year are shown in the following table (amounts in thousands):

	2002	2001	Increase/(Decrease) Over 2001 Actual	
			Amount	Percent
Taxes:				
Personal income	\$ 24,176,817	\$ 27,370,923	\$ (3,194,106)	(11.67)
Consumption and use	11,061,623	11,177,465	(115,842)	(1.04)
Business	4,936,210	5,574,031	(637,821)	(11.44)
Other	1,501,609	1,131,919	369,690	32.66
Subtotal	41,676,259	45,254,338	(3,578,079)	(7.91)
Federal grants	29,941,852	26,720,719	3,221,133	12.05
Other:				
Lottery	4,753,618	4,185,330	568,288	13.58
Patient fees	423,602	425,504	(1,902)	(0.45)
Miscellaneous	6,191,496	6,783,138	(591,642)	(8.72)
Subtotal	11,368,716	11,393,972	(25,256)	(0.22)
Total revenues	82,986,827	83,369,029	(382,202)	(0.46)
Other financing sources	2,426,617	2,796,717	(370,100)	(13.23)
Total revenues and other financing sources	\$ 85,413,444	\$ 86,165,746	\$ (752,302)	(0.87)

Changes in revenues were highlighted by:

- Personal income tax (PIT) revenues decreased due to a decline in the rate of growth for wage and salary income, a decline in year-end bonus payments to executives on Wall Street and an increase in realized capital losses. These declines were driven by an economy that was slumping and further exacerbated by the World Trade Center disaster.
- The decrease in business tax revenues was caused by a decline in business profitability due to a slowing economy, the World Trade Center disaster and enacted tax reductions. The most important impact was the World Trade Center disaster that caused several large taxpayers with office's in the World Trade Center to incur significant losses in property and business activity. These losses resulted in lower tax liabilities for these businesses.
- Lottery revenue increased due to increased sales for the Instant Cash games.

REVENUES – 2002



Expenditures and other financing uses totaled \$89.859 billion in fiscal 2002 which represents an increase of \$4.936 billion (5.81%) over expenditures and other financing uses in fiscal 2001. Changes in expenditures and other uses, net of eliminations for operating transfers among Governmental funds, from fiscal 2001 levels are presented in the following table (amounts in thousands):

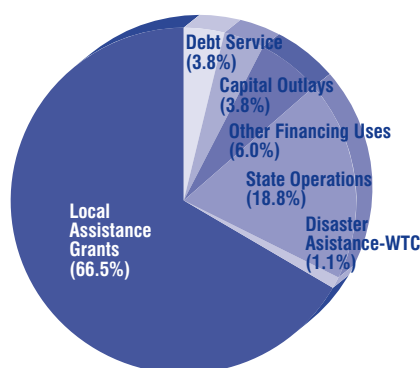
Expenditures and Other Financing Uses

	2002	2001	Increase/(Decrease) Over 2001 Actual	
			Amount	Percent
Local assistance grants:				
Social services	\$ 31,950,506	\$ 30,285,984	\$ 1,664,522	5.50
Education	20,715,646	19,408,343	1,307,303	6.74
Mental hygiene	1,342,594	1,205,921	136,673	11.33
General purpose	963,087	974,961	(11,874)	(1.22)
Health and environment	2,870,188	2,575,001	295,187	11.46
Transportation	479,860	359,356	120,504	33.53
Criminal justice	284,412	359,294	(74,882)	(20.84)
Miscellaneous	1,139,055	908,619	232,476	25.36
Subtotal	59,745,348	56,077,479	3,667,869	6.54
Departmental operations	16,908,982	16,338,128	570,854	3.49
Capital outlays	3,397,367	3,448,263	(50,896)	(1.48)
Debt service and financing arrangements	3,391,758	3,678,795	(287,037)	(7.80)
Disaster assistance—World Trade Center	1,016,113	—	1,016,113	100.00
Total expenditures	84,459,568	79,542,665	4,916,903	6.18
Other financing uses	5,399,205	4,987,723	411,482	8.25
Total expenditures and other financing uses	\$ 89,858,773	\$ 84,530,388	\$ 5,328,385	6.30

Changes in expenditures were highlighted by:

- The increase in Social Services expenditures is due to an increase in Medicaid costs resulting from an increase in enrollment of Medicaid eligibles relating to the Disaster Relief Medicaid Program, and various public welfare programs.
- The increase in Education expenditures is due to an increase in support for public schools.
- The decrease in debt service expenditures is due to a decrease in advance repayment of debt.
- The additional expenditure for disaster assistance—World Trade Center were due to the tragic events that occurred on September 11, 2001.

EXPENDITURES – 2002



Cash Management

Cash deposits into the State Treasury are controlled jointly by the State Comptroller and Commissioner of Taxation and Finance. Cash is managed in pooled investment funds to maximize interest earnings. Investments are made in accordance with the State Finance Law. Cash is primarily invested in repurchase agreements involving United States Treasury obligations and remaining funds are invested in United States Treasury bills and commercial paper. For the fiscal year ended March 31, 2002, the average daily balance of pooled investment funds was \$9.5 billion with an average yield of 3.3% and total investment income of \$315 million. Cash deposits not held in the State Treasury and controlled by various other State officials are generally held in interest bearing accounts.

Fixed Assets

The fixed assets of the State are those fixed assets used in the performance of governmental functions. They are accounted for in the General Fixed Assets Account Group and the College and University Funds. They do not include infrastructure (e.g., roads, bridges, canals, etc.) or fixed assets of public benefit corporations which

amounted to \$37.020 billion. At March 31, 2002, the fixed assets of the State amounted to \$19.965 billion. This amount represents the valuation of fixed assets in accordance with GAAP and the State's capitalization policy as described in Note 1 of the Notes to the Financial Statements.

Risk Management

The State does not insure its buildings or their contents against theft, fire or other risks and does not insure its automobiles against the possibility of bodily injury and property damages. However, the State does have fidelity insurance on State employees. Workers' compensation coverage is provided on a self-insurance basis.

Debt Administration and Other Financing Arrangements

There are a number of methods by which the State may incur debt. The State may issue general obligation bonds approved by the voters and notes in anticipation of such bonds. The State, with voter approval, may also directly guarantee obligations of public benefit corporations. Presently, the Job Development Authority is the only public benefit corporation authorized to issue State guaranteed bonds. Payments for debt service on State general obligation and State-guaranteed bonds or notes are legally enforceable obligations of the State. The State has never been called upon to make any direct payments pursuant to its guarantee.

The State's general obligation bonds are rated AA by Standard and Poor's Corporation and A2 by Moody's Investors Services. The State had \$4.142 billion in general obligation bonds outstanding at year-end. During the year the State issued \$211 million in general obligation bonds and redeemed \$415 million. The total amount of general obligation bonded debt authorized but not yet issued at year-end was \$1.396 billion.

The Public Benefit Corporations' (Corporations) had \$55.981 billion in non-state supported bonds payable and short-term debt outstanding at year-end. For further information regarding the Corporations' debt refer to Note 15 of the Notes to the Financial Statements.

The State has also entered into lease/purchase agreements with selected public benefit corporations and municipalities for certain of its capital facilities. Under the agreements, construction costs are initially paid from appropriations and repaid to the State from proceeds of bond issues.

The State has also entered into other financing agreements with several public benefit corporations. The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by the entity. The public benefit corporations will generally retain title to the assets acquired with the bond proceeds.

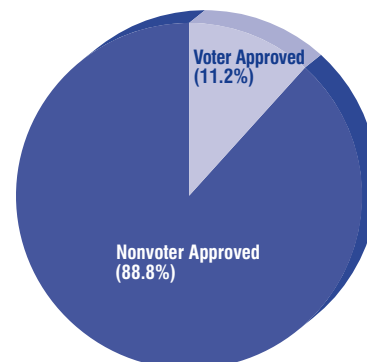
At year-end, the State had long-term debt obligations of \$32.364 billion under lease/purchase and other financing arrangements (nonvoter approved), a decrease of \$261 million from fiscal 2001.

Fiduciary Fund Type

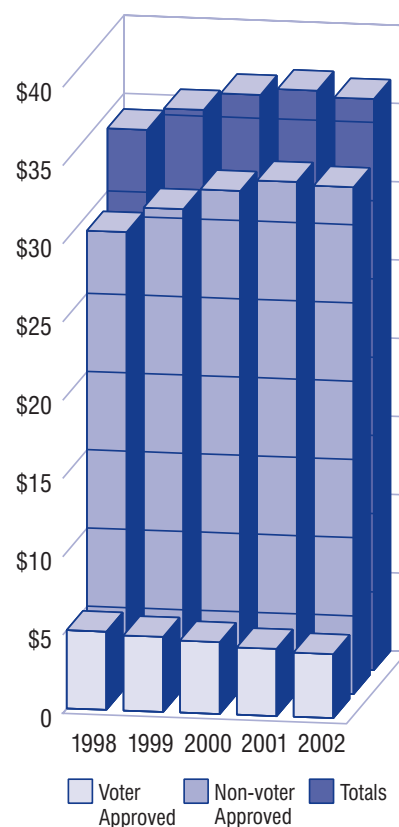
The Fiduciary Fund Type consists of Trust and Agency Funds including the State and Local Retirement Systems. These funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations and other governments. The Trust and Agency Funds reported a year-end fund balance of \$115.026 billion as compared to the previous year-end of \$116.921 billion.

The State and Local Retirement Systems, covering most non-teaching State employees and local government employees outside of New York City, reported combined net assets available for retirement benefits of \$112.725 billion as compared to the previous year-end amount of \$114.044 billion. For further information refer to Note 14 of the Notes to the Financial Statements.

DEBT SERVICE – 2002



OUTSTANDING DEBT
(AMOUNTS IN MILLIONS)



Public Benefit Corporations

All Component units, except for the Local Government Assistance Corporation, are discretely presented and reported as Public Benefit Corporations (Corporations), which includes Public Authorities, and are legally separate entities that are not operating departments of the State. Corporations have been established for a variety of purposes such as economic development, capital construction, financing, and public transportation. The powers of the Corporations generally are vested in their governing boards. The Governor, with the approval of the State Senate, appoints a majority of the members of the Board of most major Corporations and either the Governor or the Board selects the chairperson and chief operating officer. Corporations are not subject to the State constitutional restrictions on the incurrence of debt which apply to the State and may issue bonds and notes within legislatively authorized amounts.

Corporations submit annual reports to the Governor, the Legislature and the State Comptroller on their operations and finances accompanied by an independent auditors' report on the financial statements in those annual reports. Corporations are generally supported by revenues derived from their activities, although in recent years the State has provided financial assistance, in some cases of a recurring nature, to certain Corporations for operating and other expenses, and in fulfillment of its commitments on moral obligation indebtedness. The Corporations have been presented in the accompanying financial statements as component units of the State. The amounts presented in this report were derived from the Corporations' most recent audited financial statements. At year-end these entities reflected a combined equity of \$27.751 billion. For further information refer to Note 15 of the Notes to the Financial Statements.

Internal Controls

In developing the State's accounting system, consideration was given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits derived. To monitor the adequacy of the State's internal accounting controls the Comptroller's auditors check adherence to internal control policies and procedures.

In 1987 the Legislature passed the New York State Governmental Accountability, Audit and Internal Control Act, which commits the State to enhancing existing systems of internal controls in all State governmental entities. As a result, there is now a requirement for managers in all branches and components of government to maintain comprehensive internal control systems and to regularly evaluate the effectiveness and adequacy of these systems by internal reviews and external audits. The Act was amended and reauthorized in 1999. Finally, the legislation promotes accountability by assuring that all external audits required by the Act are made available to the public.

Budgetary Process

The State Constitution requires the Governor to submit a cash basis balanced Executive Budget which contains a complete plan of expenditures for the ensuing fiscal year and identifies the anticipated revenues sufficient to meet the proposed expenditures. Included in the proposed budget are provisions for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget also includes both cash basis and GAAP basis financial plans for the ensuing fiscal year as well as a three year financial projection for governmental funds and a three year capital plan. The account-

ing policies used in developing the GAAP basis financial plans are generally consistent with those used in preparing the annual GAAP financial statements. Generally, the financial plans are updated quarterly. The Legislature enacts appropriation bills and revenue measures embodying those parts of the Executive Budget it has approved. Expenditures are controlled at the major object (e.g., personal service, grants to local governments) level within each program/project of each State agency in accordance with the underlying approved appropriation bills.

Economic Outlook

The events of September 11, 2001 had a significant impact on the economies of New York State and the nation. An economic slowdown was already developing, and in early 2001 the Federal Reserve's Open Market Committee had begun a series of dramatic rate reductions in an effort to prevent the slowdown from turning into a serious recession. The annualized rate of growth in the Gross Domestic Product (GDP), a measure of the nation's output of goods and services, averaged 1.1% in the fourth quarter of 2000, but then declined by 0.6% in the first quarter of 2001 and by 1.6% in the second quarter. Business investments were declining and inventories were being reduced, and the pace of consumer spending had slowed somewhat.

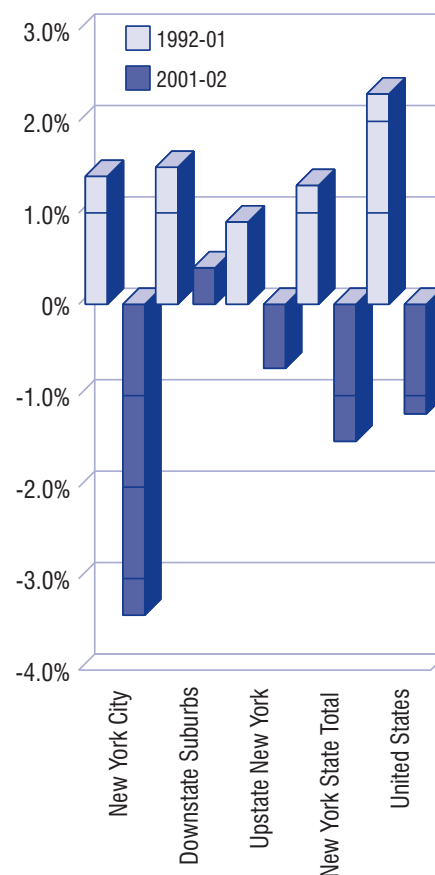
The attacks on the World Trade Center and the Pentagon generated significant shocks throughout the economy. The New York financial markets were closed for several days, and the travel and tourism industries were particularly hard-hit by the shutdown of the air transportation network. The Federal Reserve moved aggressively to maintain the soundness of the financial system, ultimately reducing interest rates to a 40-year low. GDP declined at a 0.3% annualized rate in the third quarter of 2001. The National Bureau of Economic Research declared that a recession had officially begun in March 2001.

Although job losses mounted and major parts of the national economy were negatively impacted, the record-low interest rates quickly had a beneficial effect on the economy. The housing market, after a short pause, was energized as buyers flooded the market and outstanding mortgages were refinanced. Under these conditions, home values continued to rise. Auto sales were brisk, aided by zero percent-financing incentives. GDP growth, which had resumed with a 2.7% annualized gain in the fourth quarter of 2001, surged at a 5.0% annualized rate in the first quarter of 2002, helped by stronger consumer spending and a slowing of business inventory reductions.

As the site of one of the terrorist attacks, the impact on New York State's economy was greater than in other parts of the nation. New York had lagged behind the recovery from the early 1990s recession, and it was only in recent years that the State's economic performance had improved. The rate of job growth had slowly built through the late 1990s, reaching 2.7% in 1999, an increase which ranked 14th among the 50 states. As the economy began to slow in 2000, the State's rate of job growth slipped to 2.1%, and its ranking slid to 23rd. For the first three quarters of 2001 compared to the same period in 2000, New York's job growth was 0.5%, the same rate as the nation, and ranked 28th among the states. However, after the attacks, employment in New York declined by 1.4% in the fourth quarter of 2001, while national employment declined by 0.8%, and New York's ranking fell to 40th. For the first four months of 2002, employment in the nation has fallen by 1.2% compared to the same period in 2001, and New York's 1.5% decline caused its rank to slip to 44th.

Unemployment rates have also risen as the economy slowed. Nationally, the unemployment rate reached its low near the end of 2000, and averaged 4% for that year. It began to move up in 2001, with a sharper increase after September. For all of 2001, it averaged 4.9%, and in the first four months of 2002 it has increased to an average of 5.7%. A similar pattern is evident in New York State, where unemployment reached its low in early 2001 and then began to rise.

**TOTAL JOB CHANGES
1992-02**



In 2000, the State's rate averaged 4.6%, then 4.9% in 2001, and has averaged 5.9% in the first four months of 2002. Although the gap between the State's unemployment rate and that of the nation's has narrowed in recent years, New York has a higher unemployment rate than most states, ranking 39th highest in 2000, 34th in 2001, and 41st through April 2002.

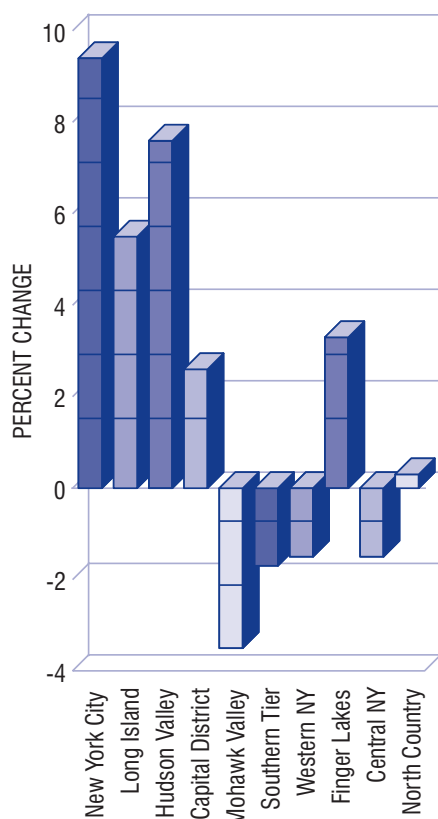
The slowdown in the economy also affected income growth. Personal income for the nation increased by 3.7% in 2001, after growing by 7% in 2000. For New York State, personal income growth slowed from 7.1% in 2000 to 3.6% in 2001. Ranking growth rates among the states, New York fell from 14th in 2000 to 30th in 2001. Factors depressing New York's income growth in 2001 included the large number of job losses and the loss of business activity in the area near the World Trade Center site.

Also contributing to New York's economic slowdown were conditions in the securities industry. The financial services sector is a major industry in the State, and although it only accounted for 2.4% of all jobs in the State in 2000, it was responsible for 12.4% of all wages earned in the State. This income, together with securities firms' profits and the capital gains generated by financial market activity, are the basis for a major source of tax revenues for the State. However, continued losses in the financial markets contributed to a substantial drop in securities industry profits, from a record \$21 billion in 2000 to \$10.4 billion in 2001. Wall Street operations were also suspended for four days following the World Trade Center attack, and many of the industry's workers were temporarily dispersed, including some who were relocated into neighboring states. Job growth in the industry averaged 5.6% annually between 1996 and 2000, but ceased in 2001, and in the first four months of 2002 securities employment in the State had declined by 8.5% compared to the same period in 2001.

There has also been a change in the geographic distribution of economic activity in the State. During the economic expansion of the 1990s and into 2000, the downstate regions (New York City (City), Long Island, and the Lower Hudson Valley) were vibrant, and these areas were responsible for almost 72% of the State's job growth and 78% of the personal income growth. Likewise, between 1990 and 2000, over 90% of the State's population growth occurred in the downstate regions, while the population declined in many parts of upstate, notably Western and Central New York and the Mohawk Valley. While the City's economy had been slowing before the World Trade Center attack, in its aftermath business activity slowed in lower Manhattan and many of the City's major industries—finance, air transportation, business services, trade, and tourism—were adversely affected. Employment in the City, which had increased at an average rate of 0.3% in the first three quarters of 2001 when compared to the same period in 2000, declined at a rate of 3.1% (or 118,000 jobs) in the fourth quarter. For the first four months of 2002, employment in New York City declined by 3.4% on a year-over-year basis. Job growth has also slowed in the suburbs around the City. In Westchester and Rockland counties, job growth slowed from 2.4% in 2000 to 0.8% in 2001, and now shows no growth in the first four months of 2002. Long Island's economy has held up better, with job growth of 2.3% in 2000 giving way to 0.6% in 2001. Job growth has held steady at 0.6% in the first four months of 2002 when compared to the same period in 2001, and Long Island is one of the few areas in New York State to be reporting job gains in 2002.

The recession was also taking a toll on the upstate economy prior to September 11. Buffalo and Rochester experienced job losses of 0.7% and 0.3%, respectively, in 2001, and losses of 0.4% and 1.7%, respectively, for the first four months of 2002. Small gains in 2001 have given way to losses in 2002 for Syracuse and Binghamton. Nonetheless, the magnitude of job losses in New York City is much larger than upstate, so just as the downstate region led the State in prosperity, it is now weighing down the State in the recession.

**POPULATION GREW
RAPIDLY DOWNSTATE
DURING THE 1990s**



However, the outlook for New York State is not grim. The current recession does not match the magnitude of the recession of the early 1990s. A recovery is already underway at the national level, and this will help lift the New York State economy in coming months. Seasonally adjusted employment data for New York City already are showing an end to job losses on a month-to-month basis. Although the financial markets continue to be buffeted by financial scandals, low corporate profits, and low investor confidence, the Securities Industry Association does not expect industry profits to fall below last year's levels. This will help lift income, and therefore tax revenues, in calendar year 2003. Housing markets remain strong, which helps consumer wealth, but high prices, especially downstate, continue to reflect a supply shortage.

In the short run, the State's economy will go through a difficult period as the recovery slowly takes hold and spreads. New York City will reassert itself as a major center of commerce, and will benefit from reconstruction spending. Although the current recession will be followed by a new expansion, the strength of that expansion in New York State will be dependent on many factors. As the major engine of recent economic growth, the downstate economy is particularly dependent on the health of the financial industry, investments in transportation infrastructure, the ability of the education system to produce a skilled workforce, the availability of affordable housing, the cost and availability of energy, and the continued attractiveness of the region for both domestic migrants and international immigrants. Upstate, many regions continue to transition from manufacturing to service-based economies, and to face their own issues in education, housing, energy, and population. Finally, the fiscal stresses currently faced by many localities will have an impact on how policies that address important issues are resolved.

New Financial Reporting Model

In 1999 the Governmental Accounting Standards Board (GASB) issued a new standard known as GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis (MD&A)—for State and Local Governments (GASB 34). GASB 34 will significantly affect the accounting and financial reporting for all state and local governments. For New York State the standard will be effective for its fiscal year ending March 31, 2003. The new financial reporting model will redefine the old financial reporting model by changing its focus to major funds, rather than fund types, requiring a new section called the MD&A, and include new government-wide financial statements which will include all revenues and all costs of providing services each year. Next year, the new Basic Financial Statements—and MD&A will be issued in place of the general purpose financial statements. The new statements will report on all current assets and liabilities and also long-term assets and liabilities, such as capital assets, including infrastructure (roads and bridges).

Report Layout

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes the Comptroller's transmittal letter, this Financial Overview, the State's organization chart, and a list of principal officials. The Financial Section includes the general purpose financial statements and the combining statements and schedules, as well as the auditors' report on the general purpose financial statements and schedules. The Statistical Section includes fiscal, social, and demographic information about the State.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of New York

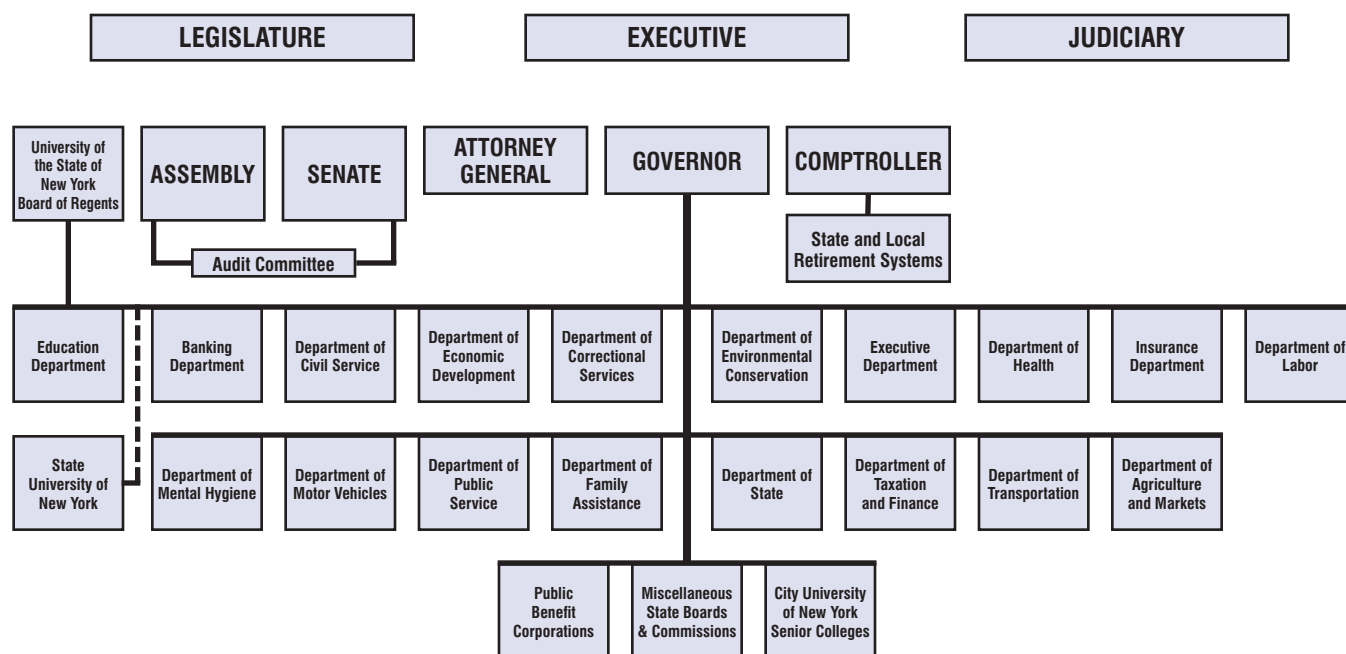
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Thomas A. Gruen
President

Jeffrey L. Esser
Executive Director



STATE OF NEW YORK

Selected State Officials

Executive

George E. Pataki, Governor • **Mary O. Donohue**, Lieutenant Governor • **H. Carl McCall**, State Comptroller
Eliot Spitzer, Attorney General

Judicial

Judith S. Kaye, Chief Judge Court of Appeals of New York

Legislative

Joseph L. Bruno, Temporary President of the Senate • **Sheldon Silver**, Speaker of the Assembly
Martin Connor, Senate Minority Leader • **Charles H. Nesbitt**, Assembly Minority Leader

Financial Section



515 Broadway
Albany, NY 12207

Independent Auditors' Report

The Audit Committee of the
New York State Legislature

We have audited the general purpose financial statements of the State of New York (the "State") as of and for the year ended March 31, 2002, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities, which statements represent 54% of total assets and 67% of total revenues of the discretely presented component units - Public Benefit Corporations. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of New York as of March 31, 2002, and the results of its operations and cash flows of its Nonexpendable Trust Funds and discretely presented component units - Public Benefit Corporations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of New York. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based upon our audit and the reports of other auditors, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

As described in note 1n to the general purpose financial statements, the State adopted Governmental Accounting Standards Board ("GASB") Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*" and GASB Statement No. 36, "*Recipient Reporting for Certain Shared Nonexchange Revenues*".

In accordance with *Government Auditing Standards*, we have also issued a report dated July 19, 2002 on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We did not audit the data included in the introductory and statistical sections of this report, and accordingly, express no opinion thereon.

KPMG LLP

July 19, 2002

cc: H. Carl McCall, State Comptroller



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association.

General Purpose Financial Statements

Combined Balance Sheet

ALL FUND TYPES, ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNITS

March 31, 2002

(Amounts in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS:				
Cash and investments	\$ 2,884,389	\$ 2,409,125	\$ 2,073,696	\$ 756,899
Retirement system investments	—	—	—	—
Receivables, net of allowances for uncollectibles:				
Taxes	5,721,571	93,736	182,039	77,482
Due from Federal government	—	4,434,147	—	289,436
Loans and leases	—	—	—	—
Other	709,486	910,876	130,046	64,471
Due from other funds	1,184,696	60,207	88,186	48,682
Fixed assets, net of depreciation	—	—	—	—
Other assets	458,965	28,875	—	545
Assets available for future debt service	—	—	—	—
Amounts to be provided for retirement of general long-term obligations	—	—	—	—
Total assets	\$ 10,959,107	\$ 7,936,966	\$ 2,473,967	\$ 1,237,515
LIABILITIES:				
Payable to local governments	\$ 2,132,503	\$ 1,649,727	\$ —	\$ 58,216
Tax refunds payable	4,428,264	110,253	13,405	11,025
Accrued liabilities	2,412,862	3,039,260	—	42,955
Pension contributions payable	37,242	—	—	—
Accounts payable	277,963	108,684	1,070	497,575
Due to other funds	299,965	431,025	—	750,315
Deferred revenues	749,795	173,197	97,661	31,242
Notes payable	—	—	—	—
Bonds payable	—	—	—	—
Obligations under lease/purchase and other financing arrangements	—	—	—	—
Other long-term liabilities	127,956	—	—	—
Total liabilities	10,466,550	5,512,146	112,136	1,391,328
EQUITY (DEFICIT) and OTHER CREDITS:				
Fund balances (deficits):				
Reserved for:				
Employees' pension benefits	—	—	—	—
Encumbrances	373,706	861,092	—	4,154,120
Unemployment benefits	—	—	—	—
Debt service	—	—	1,976,786	—
Tax stabilization	709,935	—	—	—
Other specified purposes	378,415	8,500	—	29,582
Unreserved	(969,499)	1,555,228	385,045	(4,337,515)
Investment in fixed assets	—	—	—	—
Contributed capital	—	—	—	—
Retained earnings	—	—	—	—
Total equity (deficit) and other credits	492,557	2,424,820	2,361,831	(153,813)
Total liabilities, equity (deficit) and other credits	\$ 10,959,107	\$ 7,936,966	\$ 2,473,967	\$ 1,237,515

See accompanying notes to the general purpose financial statements.

EXHIBIT A

Account Groups		College and University Funds (June 30, 2001)	Fiduciary Fund Type	Component Units
General Fixed Assets	General Long-Term Obligations		Trust and Agency	Public Benefit Corporations
\$ —	\$ —	\$ 4,009,256	\$ 6,762,790	\$ 28,922,763
—	—	—	111,168,496	—
—	—	—	1,164,698	—
—	—	—	1,891	—
—	—	—	—	26,225,146
—	—	793,313	2,602,472	3,415,709
—	—	503,852	126,852	—
10,361,098	—	9,604,224	—	37,019,952
—	—	50,313	8,259,232	7,635,621
—	2,361,831	—	—	—
—	32,761,723	—	—	—
<u>\$ 10,361,098</u>	<u>\$ 35,123,554</u>	<u>\$ 14,960,958</u>	<u>\$ 130,086,431</u>	<u>\$ 103,219,191</u>
\$ —	\$ 755,116	\$ —	\$ 1,515,519	\$ —
—	458,180	—	—	—
—	—	1,792,149	13,377,826	13,375,194
—	46,319	—	—	81,952
—	—	—	32,609	576,041
—	—	—	116,271	—
—	—	152,041	18,678	1,113,617
—	—	—	—	1,005,474
—	4,142,217	—	—	54,975,189
—	25,066,040	7,322,832	—	—
—	4,655,682	—	—	4,340,402
<u>—</u>	<u>35,123,554</u>	<u>9,267,022</u>	<u>15,060,903</u>	<u>75,467,869</u>
—	—	—	112,724,893	—
—	—	—	—	—
—	—	—	1,320,568	—
—	—	—	—	—
—	—	1,245,516	980,067	—
—	—	—	—	—
10,361,098	—	4,448,420	—	—
—	—	—	—	15,235,906
—	—	—	—	12,515,416
<u>10,361,098</u>	<u>—</u>	<u>5,693,936</u>	<u>115,025,528</u>	<u>27,751,322</u>
<u>\$ 10,361,098</u>	<u>\$ 35,123,554</u>	<u>\$ 14,960,958</u>	<u>\$ 130,086,431</u>	<u>\$ 103,219,191</u>

Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

EXHIBIT B

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

Year Ended March 31, 2002

(Amounts in thousands)

	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
REVENUES:					
Taxes:					
Personal income	\$ 22,616,743	\$ 1,310,074	\$ 250,000	\$ —	\$ —
Consumption and use	7,135,822	921,860	2,163,305	840,636	—
Business	3,412,183	968,699	—	555,328	—
Unemployment	—	—	—	—	1,972,592
Other	1,128,526	—	261,083	112,000	—
Federal grants	—	28,524,981	—	1,416,871	74,303
Lottery	—	4,753,618	—	—	—
Patient fees	—	—	423,602	—	—
Miscellaneous	2,924,461	3,050,419	93,153	123,463	2,515,154
Total revenues	37,217,735	39,529,651	3,191,143	3,048,298	4,562,049
EXPENDITURES:					
Local assistance grants:					
Social services	9,745,996	22,204,510	—	—	—
Education	14,499,381	6,215,254	—	1,011	—
Mental hygiene	1,078,474	217,551	—	46,569	—
General purpose	963,087	—	—	—	—
Health and environment	1,398,425	1,117,140	—	354,623	—
Transportation	302,740	18,654	—	158,466	—
Criminal justice	218,120	66,292	—	—	—
Miscellaneous	411,420	654,664	—	72,971	1,808
Departmental operations:					
Personal service	6,956,911	787,826	—	—	848
Non-personal service	2,726,634	3,906,564	7,087	—	1,463,960
Pension contribution	79,487	19,456	—	—	—
Other fringe benefits	2,255,340	169,677	—	—	348
Capital construction	—	—	—	3,397,367	10,997
Debt service, including payments on financing arrangements	16,107	—	3,375,651	—	—
Unemployment benefits	—	—	—	—	3,242,718
Disaster assistance—World Trade Center	32,720	983,393	—	—	—
Total expenditures	40,684,842	36,360,981	3,382,738	4,031,007	4,720,679
Excess (deficiency) of revenues over expenditures	(3,467,107)	3,168,670	(191,595)	(982,709)	(158,630)
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds	5,293,778	141,175	4,897,317	334,422	900
Operating transfers to other funds	(5,142,921)	(2,778,273)	(4,687,685)	(830,059)	(415,374)
Operating transfers from public benefit corporations	75,121	10,446	—	—	—
Operating transfers to public benefit corporations	(381,715)	(1,511,917)	—	(140,094)	(66)
Proceeds of general obligation bonds	—	—	—	210,532	—
Proceeds from financing arrangements	205,000	—	58,024	1,274,261	—
Net other financing sources (uses)	49,263	(4,138,569)	267,656	849,062	(414,540)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,417,844)	(969,899)	76,061	(133,647)	(573,170)
Fund balances (deficit) at April 1, 2001, as restated ..	3,910,401	3,394,719	2,285,770	(20,166)	2,854,828
Fund balances (deficit) at March 31, 2002	\$ 492,557	\$ 2,424,820	\$ 2,361,831	\$ (153,813)	\$ 2,281,658

See accompanying notes to the general purpose financial statements.

Combined Statement of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

EXHIBIT C

GOVERNMENTAL FUND TYPES

Year Ended March 31, 2002

(Amounts in thousands)

	General			Special Revenue		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ 37,534,500	\$ 37,370,700	\$ (163,800)	\$ 2,814,500	\$ 2,779,400	\$ (35,100)
Miscellaneous	1,609,000	1,621,700	12,700	7,179,000	7,129,000	(50,000)
Federal grants	—	3,700	3,700	27,022,000	26,697,700	(324,300)
Total receipts	39,143,500	38,996,100	(147,400)	37,015,500	36,606,100	(409,400)
DISBURSEMENTS:						
Local assistance grants	28,040,000	27,834,900	205,100	31,671,000	31,269,900	401,100
Departmental operations	7,846,000	7,839,100	6,900	6,690,000	6,564,600	125,400
General state charges	2,663,000	2,650,100	12,900	466,000	416,100	49,900
Debt service	—	—	—	—	—	—
Capital projects	—	—	—	2,000	6,300	(4,300)
Total disbursements	38,549,000	38,324,100	224,900	38,829,000	38,256,900	572,100
Excess (deficiency) of receipts over disbursements	594,500	672,000	77,500	(1,813,500)	(1,650,800)	162,700
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	—	—	—
Transfers from other funds	2,157,000	2,147,600	(9,400)	2,608,000	2,529,800	(78,200)
Transfers to other funds	(2,906,000)	(2,897,500)	8,500	(2,073,000)	(2,030,800)	42,200
Net other financing sources (uses)	(749,000)	(749,900)	(900)	535,000	499,000	(36,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (154,500)	\$ (77,900)	\$ 76,600	\$ (1,278,500)	\$ (1,151,800)	\$ 126,700

(Continued)

See accompanying notes to the general purpose financial statements.

Combined Statement of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

EXHIBIT C

GOVERNMENTAL FUND TYPES

Year Ended March 31, 2002

(Amounts in thousands)

	Debt Service			Capital Projects		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ 2,666,400	\$ 2,659,300	\$ (7,100)	\$ 1,554,000	\$ 1,505,000	\$ (49,000)
Miscellaneous	606,000	613,600	7,600	1,731,000	1,444,200	(286,800)
Federal grants	—	—	—	1,471,000	1,423,000	(48,000)
Total receipts	3,272,400	3,272,900	500	4,756,000	4,372,200	(383,800)
DISBURSEMENTS:						
Local assistance grants	—	—	—	856,000	649,700	206,300
Departmental operations	6,000	6,300	(300)	—	—	—
General state charges	—	—	—	—	—	—
Debt service	4,185,000	4,143,200	41,800	—	—	—
Capital projects	—	—	—	3,698,000	3,663,700	34,300
Total disbursements	4,191,000	4,149,500	41,500	4,554,000	4,313,400	240,600
Excess (deficiency) of receipts over disbursements	(918,600)	(876,600)	42,000	202,000	58,800	(143,200)
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	254,000	210,500	(43,500)
Transfers from other funds	4,799,000	4,742,400	(56,600)	(769,000)	313,400	1,082,400
Transfers to other funds	(4,145,000)	(4,118,700)	26,300	237,000	(761,200)	(998,200)
Net other financing sources (uses)	654,000	623,700	(30,300)	(278,000)	(237,300)	40,700
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (264,600)	\$ (252,900)	\$ 11,700	\$ (76,000)	\$ (178,500)	\$ (102,500)

See accompanying notes to the general purpose financial statements.

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances

EXHIBIT D

NONEXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended March 31, 2002

(Amounts in thousands)

	Fiduciary Fund Type	Component Units
	Nonexpendable Trust	Public Benefit Corporations
OPERATING REVENUES:		
Charges for services	\$ —	\$ 10,417,140
Financing income	—	1,412,249
Investment income	424	952,670
Miscellaneous	1,007	686,913
Total operating revenues	1,431	13,468,972
OPERATING EXPENSES:		
Operations	5,543	14,103,940
Depreciation and amortization	—	1,391,015
Interest	—	1,428,856
Total operating expenses	5,543	16,923,811
Operating loss	(4,112)	(3,454,839)
NONOPERATING REVENUES (EXPENSES):		
Non-State subsidies and grants	—	3,453,662
Interest revenues	—	172,076
Interest expenses	—	(977,066)
Other, net	—	34,982
Net nonoperating revenues (expenses)	—	2,683,654
Loss before operating transfers	(4,112)	(771,185)
Operating transfers from primary government	—	2,091,194
Operating transfers to primary government	—	(41,676)
Net income (loss)	(4,112)	1,278,333
Depreciation charged to contributed capital	—	817
Increase (decrease) in retained earnings/fund balances	(4,112)	1,279,150
Retained earnings/fund balances at beginning of year, as restated	23,089	11,236,266
Retained earnings/fund balances at end of year	\$ 18,977	\$ 12,515,416

See accompanying notes to the general purpose financial statements.

Combined Statement of Cash Flows

EXHIBIT E

NONEXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended March 31, 2002

(Amounts in thousands)

	Fiduciary Fund Type	Component Units
	Nonexpendable Trust	Public Benefit Corporations
SOURCES OF CASH AND INVESTMENTS:		
Cash flows from operating activities:		
Operating loss	\$ (4,112)	\$ (3,454,839)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	—	1,391,015
Interest paid on operating debt	—	2,481,033
Interest and dividends on investments	(424)	(952,670)
Component units using governmental fund accounting	—	480,060
Change in assets and liabilities:		
Change in loans and leases receivables	—	(2,297,675)
Change in other receivables	—	761,293
Change in due from	(18)	—
Change in other assets	—	(677,928)
Change in payable to local government	465	—
Change in accrued liabilities	(1)	550,083
Change in pension contributions payable	—	4,674
Change in accounts payable	5	76,621
Change in due to	(1)	—
Change in deferred revenue	—	(110,674)
Total adjustments to operating loss	26	1,705,832
Net cash used for operating activities	(4,086)	(1,749,007)
Cash flows from noncapital financing activities:		
Borrowing of operating debt	—	4,322,783
Repayment of operating debt	—	(2,114,840)
Interest paid on operating debt	—	(2,495,749)
Operating grants received	—	3,453,662
Operating transfers from primary government	—	2,191,775
Operating transfers to primary government	—	(41,227)
Repayment of other long-term liabilities	—	(99,988)
Proceeds from other long-term liabilities	—	266,902
Net cash provided by noncapital financing activities	—	5,483,318
Cash flows from capital and related financing activities:		
Proceeds from issuance of bonds	—	5,127,612
Proceeds from issuance of notes	—	573,002
Repayment of bonds	—	(3,674,024)
Repayment of notes	—	(78,047)
Interest paid on bonds and notes	—	(1,061,639)
Capital contributions	—	(37,535)
Acquisition and construction of capital assets	—	(3,825,975)
Other	—	(122,282)
Net cash used for capital and related financing activities	—	(3,098,888)

(Continued)

Combined Statement of Cash Flows (cont'd)

EXHIBIT E

NONEXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended March 31, 2002

(Amounts in thousands)

	Fiduciary Fund Type	Component Units
	Nonexpendable Trust	Public Benefit Corporations
Cash flows from investing activities:		
Purchase of investment securities	—	(65,989,457)
Proceeds from sale and maturities of investment securities	—	64,325,745
Interest and dividends on investments	424	1,073,919
Net cash provided by (used for) investing activities	424	(598,793)
Net increase (decrease) in cash and cash equivalents	(3,662)	45,630
Cash and cash equivalents at beginning of year, as restated	23,103	1,055,591
Cash and cash equivalents at end of year	\$ 19,441	\$ 1,101,221
Reconciliation:		
Cash and cash equivalents at end of year	\$ 19,441	\$ 1,101,221
Cash and cash equivalents, Expendable Trust and Agency	6,743,349	—
Investments	—	27,821,542
Cash and investments per Exhibit A	\$ 6,762,790	\$ 28,922,763

See accompanying notes to the general purpose financial statements.

Combined Statement of Changes in Fund Balances

EXHIBIT F

COLLEGE AND UNIVERSITY FUNDS

Year Ended June 30, 2001

(Amounts in thousands)

	Current Funds			Loan Funds	Endowment and Similar Funds	Plant Funds
	Unrestricted	Restricted	Total (Memorandum Only)			
Revenues and other additions:						
Unrestricted current fund revenues	\$ 3,137,261	\$ —	\$ 3,137,261	\$ —	\$ —	\$ —
New York City appropriations	—	555	555	—	—	—
Government grants and contracts:						
Federal	—	616,896	616,896	1,223	—	—
New York State	—	193,890	193,890	—	—	8,000
New York City	—	33,954	33,954	—	—	—
Other	—	12,614	12,614	—	—	—
Private gifts, grants and contracts	—	159,175	159,175	—	8,060	20,797
Investment income	—	18,494	18,494	1,074	565	143,514
Net decrease in the fair value of investments	—	(660)	(660)	—	(57,804)	—
Interest on loans receivable	—	—	—	4,338	—	—
U.S. government advances	—	—	—	635	—	—
Expended for plant facilities	—	—	—	—	—	173,680
Retirement indebtedness	—	—	—	—	—	288,491
Other additions	—	8,084	8,084	2,235	2,254	876
Total revenues and other additions	3,137,261	1,043,002	4,180,263	9,505	(46,925)	635,358
Expenditures and other deductions:						
Educational and general expenditures	3,845,452	1,046,174	4,891,626	—	—	—
Hospitals and clinics	946,192	15	946,207	—	—	—
Auxiliary enterprises expenditures	467,803	360	468,163	—	—	—
Indirect cost recovered	—	121,585	121,585	—	—	—
Refunded to grantors	—	—	—	221	—	—
Loan cancellations and net change in allowance for doubtful loans	—	—	—	1,428	—	—
Administration costs	—	—	—	1,414	—	—
Expended for plant facilities	—	—	—	—	—	240,745
Additional indebtedness incurred to effect refinancing	—	—	—	—	—	1,826
Debt service:						
Principal	—	—	—	—	—	288,491
Interest	—	—	—	—	—	427,233
Plant and equipment write-offs and disposals	—	—	—	—	—	69,248
Other deductions	—	—	—	551	—	5,451
Total expenditures and other deductions	5,259,447	1,168,134	6,427,581	3,614	—	1,032,994
Transfers from (to) other funds:						
Mandatory:						
Debt service and reserve requirements	(433,304)	—	(433,304)	—	—	433,304
Renewals and replacements	(407)	—	(407)	—	—	—
Loan fund matching grant	(194)	—	(194)	601	—	—
Nonmandatory:						
Interfund transfers	(24,441)	5,835	(18,606)	(307)	(5,563)	25,428
State appropriations	2,465,482	129,906	2,595,388	—	—	354,810
Total transfers from (to) other funds	2,007,136	135,741	2,142,877	294	(5,563)	813,542
Net increase (decrease) for the year	(115,050)	10,609	(104,441)	6,185	(52,488)	415,906
Fund balances at July 1, 2000	148,306	211,358	359,664	168,436	868,160	4,032,514
Fund balances at June 30, 2001	\$ 33,256	\$ 221,967	\$ 255,223	\$ 74,621	\$ 815,672	\$ 4,448,420

See accompanying notes to the general purpose financial statements.

Combined Statement of Current Funds Revenues, Expenditures and Other Changes

EXHIBIT G

COLLEGE AND UNIVERSITY FUNDS

Year Ended June 30, 2001

(Amounts in thousands)

	Unrestricted	Restricted	Total (Memorandum Only)
Revenues:			
Tuition and fees	\$ 1,255,217	\$ —	\$ 1,255,217
Governmental appropriations:			
Federal	19,637	—	19,637
New York City	20,215	555	20,770
Government grants and contracts:			
Federal	163,551	517,200	680,751
New York State	32,646	188,004	220,650
New York City	3,409	29,136	32,545
Local	4,870	10,806	15,676
Private gifts, grants and contracts	144,904	130,742	275,646
Endowment income	4,360	19,513	23,873
Sales and services:			
University hospitals and clinics	831,695	—	831,695
Educational activities	38,931	101	39,032
Auxiliary enterprises	508,289	24	508,313
Other	109,537	20,562	130,099
Total revenues	3,137,261	916,643	4,053,904
Expenditures and mandatory transfers:			
Educational and general:			
Instruction	1,728,293	127,694	1,855,987
Research	176,491	302,856	479,347
Public service	115,159	123,523	238,682
Academic support	312,884	43,302	356,186
Student services	260,423	18,872	279,295
Institutional support	651,445	56,080	707,525
Operation and maintenance of plant	529,863	2,524	532,387
Scholarships and fellowships	70,894	371,323	442,217
Educational and general expenditures	3,845,452	1,046,174	4,891,626
Mandatory transfers:			
Debt service	370,188	—	370,188
Loan fund matching grant	601	—	601
Total educational and general	4,216,241	1,046,174	5,262,415
Hospitals and clinics:			
Expenditures	946,192	15	946,207
Mandatory transfers for debt service	23,135	—	23,135
Total hospitals and clinics	969,327	15	969,342
Auxiliary enterprises:			
Expenditures	467,803	360	468,163
Mandatory transfers for debt service	39,981	—	39,981
Total auxiliary enterprises	507,784	360	508,144
Total expenditures and mandatory transfers	5,693,352	1,046,549	6,739,901
Other transfers and additions (deductions):			
Excess of restricted additions over expenditures	—	4,774	4,774
Transfer from (to):			
Endowment and similar funds	(15)	6,938	6,923
Loan funds	259	(8)	251
Plant funds	(24,727)	250	(24,477)
State appropriations	2,465,482	129,906	2,595,388
Other	42	(1,345)	(1,303)
Total other transfers and additions (deductions)	2,441,041	140,515	2,581,556
Net increase (decrease) in fund balances	\$ (115,050)	\$ 10,609	\$ (104,441)

See accompanying notes to the general purpose financial statements.

Statement of Changes in Plan Net Assets

EXHIBIT H

STATE AND LOCAL RETIREMENT SYSTEMS

Year Ended March 31, 2002

(Amounts in thousands)

	Employees' Retirement System	Police & Fire Retirement System	Total
Additions:			
Investment income	\$ 1,527,046	\$ 280,117	\$ 1,807,163
Dividend income	591,734	108,546	700,280
Securities lending income	323,286	59,303	382,589
Other income	310,733	57,000	367,733
	2,752,799	504,966	3,257,765
Less net depreciation in fair value of investments	10,411	2,062	12,473
Less securities lending expenses	300,144	55,058	355,202
Less investment expenses	134,471	24,667	159,138
Net investment income	2,307,773	423,179	2,730,952
Contributions:			
Employers	214,592	49,254	263,846
Employees	206,018	4,184	210,202
Interest on accounts	7,213	991	8,204
Other	97,800	13,362	111,162
Total contributions	525,623	67,791	593,414
Net additions	2,833,396	490,970	3,324,366
Deductions:			
Benefits paid:			
Retirement allowances	3,597,437	739,018	4,336,455
Death benefits	139,058	12,738	151,796
Other	83,453	4,668	88,121
Total benefits paid	3,819,948	756,424	4,576,372
Administrative expenses	56,527	10,085	66,612
Total deductions	3,876,475	766,509	4,642,984
Net decrease	(1,043,079)	(275,539)	(1,318,618)
Net assets held in trust for pension benefits at beginning of year	96,463,205	17,580,306	114,043,511
Net assets held in trust for pension benefits at end of year	\$ 95,420,126	\$ 17,304,767	\$ 112,724,893

See accompanying notes to the general purpose financial statements.

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

March 31, 2002

Note 1 Summary of Significant Accounting Policies

The accompanying general purpose financial statements of the State of New York (State) have been prepared in conformity with generally accepted accounting principles (GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America.

The general purpose financial statements have been prepared primarily from accounts maintained by the State Comptroller. Additional data has been derived from reports prescribed by the State Comptroller and prepared by State departments, agencies, public benefit corporations and other entities based on independent or subsidiary accounting systems maintained by them.

a. Reporting Entity

The general purpose financial statements include all funds and account groups of the primary government, which is the State, as well as the component units and other organizational entities determined to be included in the State's financial reporting entity.

The decision to include a potential component unit in the State's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the State's reporting entity.

New York Local Government Assistance Corporation

The New York Local Government Assistance Corporation (Corporation) was created by Chapter 220 of the Laws of 1990. The Corporation is administered by three directors consisting of the State Comptroller and the Director of the Division of the Budget, serving ex-officio, and one director appointed by the Governor. The Corporation was created to issue long-term debt on behalf of the State to finance certain local assistance aid payments plus amounts necessary to fund a capital reserve fund and other issuance costs. Therefore, the Corporation is a component unit, part of the primary government and reported in the Debt Service Funds.

State and Local Retirement Systems

The State and Local Retirement Systems (System) were established by State statute with the State Comptroller designated as sole trustee and administrative head of the System. The System's costs, based upon actuarial valuations, are funded by the State, participating governmental employers and participants. The System is a part of the primary government and is reported in the Fiduciary Funds.

College and University Funds

For financial reporting purposes, the State University of New York (SUNY) and the senior colleges of the City University of New York (CUNY) are included as part of the primary government and reported in the College and University Funds. Included within the College and University Funds are the Research Foundations at both SUNY and CUNY, the State and City University Construction Funds, auxiliary service corporations and other affiliated operations. Community colleges of the City University of New York have been excluded.

Component Units

The Discretely Presented Component Units—Public Benefit Corporations (Corporations) listed in Note 15 were established by State statute with full corporate powers. The Governor, with the approval of the State Senate, appoints most members of the board of directors of most Corporations and either the Governor or the board of directors selects the chairman and chief operating officer. Corporations generally submit annual reports to the Governor, the Legislature, and the State Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The State Comptroller is empowered to conduct financial and management audits of the Corporations. Financial assistance was provided in the fiscal year ended March 31, 2002 to certain Corporations and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of the Corporations. Since the Corporations are legally separate organizations for which the Governor and Legislature are financially accountable, they are discretely presented as component units of the State.

Related Organizations

The State's officials are also responsible for appointing the members of the boards of organizations, but the State's accountability for these organizations does not extend beyond making the appointments.

b. Fund Accounting

The State uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The State records its transactions in the fund types and account groups described below. Transactions between funds within a fund type, if any, have been eliminated.

Governmental Fund Types:

General—is the operating fund of the State and is used to account for all financial transactions except those required to be accounted for in another fund.

Special Revenue—is used to account for the proceeds of specific revenue sources (other than debt service, expendable trust or major capital projects) such as Federal grants that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by the State Legislature or outside parties.

Debt Service—is used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs of general long-term obligations. The operations and debt service related activities of the New York Local Government Assistance Corporation are included in the Debt Service Funds.

Capital Projects—is used to account for the financial resources used for acquisition or construction of major State-owned capital facilities and for capital assistance grants to local governments.

Account Groups:

General Fixed Assets—is used to account for general fixed assets of the State exclusive of fixed assets reported by the College and University Funds and the Discretely Presented Component Units—Public Benefit Corporations.

General Long-Term Obligations—is used to account for long-term obligations of the State including bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term obligations exclusive of liabilities of the College and University Funds and the Discretely Presented Component Units—Public Benefit Corporations.

College and University Funds:

College and University Funds account for the operations of both SUNY and CUNY. The accounts of the College and University Funds are derived from their annual financial statements for the fiscal year ended June 30, 2001.

Transactions reported by SUNY and CUNY are displayed in the College and University Funds and reported in current funds, loan funds, endowment

funds and plant funds. Current funds include those assets that can be expended for any purpose in performing the primary objectives of the College and University. Resources restricted by donors or other outside agencies for specific operating purposes are accounted for as restricted current funds. Loan funds include gifts and grants that are limited by the terms of the donors for the purpose of making loans to students. Endowment and similar funds are subject to the restrictions of gift instruments, requiring in perpetuity that the principal be invested and the income only be utilized. Plant funds include resources that have been or are to be invested in fixed assets and funds reserved to retire debt incurred to finance facilities.

Fiduciary Fund Types:

Fiduciary Funds include Expendable and Nonexpendable Trust Funds, Agency Funds and the State and Local Retirement Systems. The Expendable and Nonexpendable Trust Funds and Agency Funds are used to account for assets held by the State in a trustee capacity (e.g., unemployment compensation) or as an agent for individuals, private organizations and other governments. The accounts of the State and Local Retirement Systems are derived from their annual financial statements for the year ended March 31, 2002. Additional information about the State and Local Retirement Systems is provided in Note 14.

Component Units:

Component Units include the accounts of the public benefit corporations. Amounts reported in the accompanying general purpose financial statements are derived from their most recently issued annual financial statements. Additional information about Component Units is provided in Note 15.

c. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. Nonexpendable Trust Funds, the State and Local Retirement Systems and Component Units—Public Benefit Corporations are accounted for on a flow of economic resources measurement focus.

Governmental Fund Types and Expendable Trust Funds are accounted for on the modified accrual basis of accounting. Revenues and related receivables are recorded in the accounting period that they become both measurable and available, i.e., earned and collected or expected to be collected within the next 12 months. Tax revenues are recorded by the State as taxpayers earn income (personal income, general business and other taxes), as sales are made (consumption and use taxes) and as the taxable event occurs (miscellaneous taxes), net of estimated overpayments (refunds). Receivables, net of uncollectible amounts, not expected to

be collected within the next 12 months are offset by deferred revenues. Expenditures and related liabilities are recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, except for vacation leave and interest on general long-term obligations which are recorded when paid and certain pension contributions. The portion of the liabilities that are expected to be paid beyond 12 months is recorded in the General Long-Term Obligations Account Group except for certain lease/purchase arrangements (see Note 9).

Financial statements for College and University Funds have been prepared in accordance with the principles of fund accounting for colleges and universities on the accrual basis, except that no provision has been made for the depreciation of fixed assets. The statement of current funds revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. Student revenues are recognized in the accounting period earned. Included in non-mandatory transfers from State appropriations are transfers from the State used to support operating expenditures. State appropriation transfers are recognized as the expenditures are incurred. A receivable is recorded for amounts to be received in support of expenditures to be paid from appropriations of the current fiscal year which lapse 90 days after year-end. Also included in due from other funds are amounts to be provided by the General Fund of the State for certain compensated absences, fringe benefits and litigation.

Nonexpendable Trust Funds and the State and Local Retirement Systems are accounted for on the accrual basis. Agency Funds are custodial in nature (assets equal liabilities) and generally are accounted for on the cash basis which approximates the modified accrual basis of accounting.

Component Units—Public Benefit Corporations are accounted for on the accrual basis of accounting and apply all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The Power Authority of the State of New York and the Long Island Power Authority have elected to continue to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

d. Cash and Investments

Cash balances of funds held in the State Treasury are commingled in a general checking account and several special purpose bank accounts. The available cash balance in the general checking account beyond immediate need is pooled for short-term investment purposes. The balances pooled are limited to legally stipulated investments that are reported at cost, including accrued

interest, which approximates fair value. Non-interest bearing compensating balances of \$582 million are included in cash and investments at March 31, 2002. At various times during the year, compensating balances could be higher. Cash balances not held in the State Treasury and controlled by various State officials are generally deposited in interest-bearing accounts or other legally stipulated investments. Additional information about the State's cash and investments is provided in Note 2.

Generally, for purposes of reporting cash flows, cash includes cash and cash equivalents. Cash equivalents are composed of highly liquid assets with maturities of 90 days or less from the date of acquisition. The Combined Statement of Cash Flows presented in Exhibit E uses the indirect method of reporting cash flows. All investments with a maturity of more than a year are recorded on the balance sheet at fair value and all investment income, including changes in the fair value of investments, are reported as revenue. Investments of the short-term investment pool have a maturity of one year or less and are recorded at cost. Fair values were determined using market values at March 31, 2002.

e. Receivables

Receivables are stated net of estimated allowances for uncollectible amounts, which are determined, based upon past collection experience and current economic conditions. Taxes receivable reports amounts owed by taxpayers for personal income, consumption and use, general business and other taxes. Due from Federal government represents amounts owed to the State to reimburse it for expenditures incurred pursuant to federally funded programs. Other receivables represent amounts owed to the State, including lottery revenues, appropriated loans, student loans, tobacco settlements, and patient fees of SUNY and Health Department hospitals and various Mental Hygiene facilities.

f. Fixed Assets

The State reports fixed assets in the General Fixed Assets Account Group, while SUNY and CUNY report fixed assets in the Plant Fund within the College and University Funds. Fixed assets consist of: (1) land in urban centers, rural areas, and forest preserves; (2) land improvements; (3) buildings which house State offices, correctional facilities, hospitals, and educational facilities; (4) equipment used in construction work, hospitals, offices, etc.; (5) library books; and (6) construction in progress. Fixed assets in the General Fixed Assets Account Group and the College and University Funds are reported at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Generally, equipment that has a cost in excess of \$25 thousand at the date of acquisition and has an expected useful life of two or more years is capitalized.

All initial building costs and land are capitalized. Land improvements in excess of \$100 thousand are capitalized. Building improvements and renovations in excess of \$100 thousand are capitalized if 75% of the useful life of the component has expired and if the useful life of the asset has been extended as a result of the renovation or the improvement has a useful life of two or more years. Interest incurred during construction is not capitalized. Fixed assets are not depreciated. Infrastructure (e.g., roads, bridges, dams, canals, etc.) is not reported in the General Fixed Assets Account Group.

g. Long-Term Obligations

The liabilities reported in the General Long-Term Obligations Account Group include the State's general obligation bonds, most obligations under lease/purchase and other financing arrangements, payable to local governments, pension contributions, tax refunds payable and other long-term liabilities including vacation leave, sick leave, litigation, Medicaid (State and Federal share), education, workers' compensation and other insurance-related liabilities pertaining to the Governmental Fund Types.

h. Compensated Absences

The State records vacation leave as an expenditure when paid. The estimated liability at March 31, 2002 of \$745 million is reported as other long-term liabilities in the General Long-Term Obligations Account Group. This represents an increase of \$44 million over the prior year. State employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days a year, but may accumulate no more than a maximum of 40 days.

SUNY employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 21 days per year and may accumulate no more than a maximum of 40 days. CUNY employees accrue vacation leave based upon the number of years employed, with the maximum accumulation generally ranging from 45 to 50 days. The liability for vacation leave approximated \$138 million and \$53 million for SUNY and CUNY, respectively, at June 30, 2001, and is reported as an accrued liability in the College and University Funds.

State, SUNY and CUNY employees earn sick leave credits that are considered termination payments. Sick leave credits earned by State and SUNY employees may be used to pay the employees' share of post-retirement health insurance premiums. CUNY employees may receive payments of up to 50% of the value of their accumulated sick leave as of the date of retirement from CUNY. The sick leave liability for State employees, reported as other accrued liabilities in the General Long-Term Obligations Account Group at March 31, 2002, was \$1,044 million and represents an increase of \$36 million from the prior year. SUNY and CUNY reported a liability of \$285 million and \$36 million, respectively, for sick leave credits in the College and University Funds.

i. Lease Accounting

The construction of certain State office buildings, campus facilities, and other public facilities has been financed through bonds and notes issued by public benefit corporations or local governments pursuant to lease/purchase agreements with the State (see Note 9).

These lease/purchase contracts are capital leases for which the State's rental payments over the duration of the agreements constitute long-term liabilities. The amount included in obligations under lease/purchase and other financing arrangements consists of total future principal payments and equals the outstanding balance of the related bonds and notes.

j. State Lottery

The State Lottery is accounted for within two funds. The revenues, administrative costs, aid to education and expenditures for amounts allocated to prizes are reported in a Special Revenue Fund. Uncollected ticket sales at March 31, 2002 are accrued. Monies allocated to prizes are accumulated in an Agency Fund to be distributed at the appropriate time. Such monies are invested in United States government-backed obligations that are recorded at fair value. Lottery prize liabilities are recorded at a discounted value equivalent to the related investments. At March 31, 2002, the prize liabilities of approximately \$2.4 billion were reported at a discounted value of approximately \$1.5 billion (at interest rates ranging from 1.97% to 13.55%).

k. Reservations of Fund Balance

Reserved fund balances indicate that portion of fund balance that is not available for appropriation or is legally segregated for specific future use.

Employees' Pension Benefits

Employees' pension benefits represent the State and Local Retirement Systems net assets available to finance pension benefit obligations (see Note 14).

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the General Fund, Special Revenue Funds and Capital Projects Funds. The cost of construction contract commitments generally is recorded as an encumbrance of Capital Projects Funds and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Unemployment Benefits

Fund balance reserved for unemployment benefits represents net assets available to fund future unemployment benefit payments.

Debt Service

Fund balance reserved for debt service represents various capital reserve assets available to finance future debt service payments in accordance with the underlying bond indentures.

Tax Stabilization

Pursuant to law, receipts in excess of disbursements of the Local Assistance and State Purposes Accounts not otherwise appropriated are required to be transferred to the Tax Stabilization Reserve Account at the end of each fiscal year. These amounts may be borrowed by these two accounts temporarily and repaid within the same fiscal year. They may also be borrowed to cover an operating deficit at year-end. Generally, these loans must be repaid within six years in no less than three equal annual installments. During the year the State increased the reserve by \$83 million.

Other Specified Purposes

The amount of fund balance reserved for other specified purposes represents the net amount of appropriated loans receivable (see Note 4), the Contingency Reserve (\$148 million), Community Projects (\$199 million), Universal Pre-kindergarten Reserve (\$29 million) and amounts available to fund various fiduciary arrangements. The amount reported for other specified purposes in the College and University Funds consists of unrestricted and restricted current funds, loan funds, endowment and similar funds and expendable plant funds.

l. Post-Retirement Benefits

In addition to providing pension benefits, the State is statutorily required to provide health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the State's employees may become eligible for these benefits if they reach normal retirement age while working for the State. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the State and the retired employee. The State recognizes the cost of providing health insurance by recording its share of insurance premiums (\$533 million for 115,089 retirees and their dependents) as an expenditure in the General Fund in the year paid. Additionally, the survivor's benefit program provides for a death benefit to be paid by the State to a retiree's designated beneficiary. During the year, approximately \$10 million was paid on behalf of 3,204 retirees and recorded as an expenditure in the General Fund.

m. Deficit Fund Balances

As of March 31, 2002, fund deficits were reported in the Debt Service Funds—State Housing Debt Fund (\$23 million), and the following Capital Projects Funds: the State Capital Projects (\$42 million) the Dedicated Highway and Bridge Trust Fund (\$112 million), the

Division for Youth Facilities Improvement Fund (\$19 million), the Housing Program Fund (\$127 million), the Department of Transportation Engineering Services Fund (\$228 million), and the Correctional Facilities Capital Improvement Fund (\$184 million). The deficit reported in the State Housing Debt Fund is caused by timing differences related to revenue recognition and will be resolved during subsequent fiscal years. The deficits related to the Capital Projects Funds are the result of differences in cash flow timing relating to the reimbursement of capital project costs and contractual commitments from bond proceeds and are routinely resolved during subsequent fiscal years. The General Fund unreserved deficit fund balance will be resolved through the financial plan process.

n. Restatements for Accounting Changes

The accumulated fund balances as of March 31, 2001 have been restated to reflect the adoption of Governmental Accounting Standards Board Statement (GASBS) No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* for the fiscal year beginning April 1, 2001. GASBS No. 33 provides guidance on the timing of recognition for nonexchange transactions involving financial and/or capital resources including taxes and local assistance grants. In conjunction with the implementation of GASBS No. 33, the State implemented GASBS No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*. GASBS No. 36 amends GASBS No. 33 by prescribing symmetrical accounting treatment for certain revenues shared by both provider and recipient governments. The affect of adopting GASBS No. 33 and 36 had a minimal net affect on revenues and expenditures recognized.

The presentation of the Debt Reduction Reserve Account of the General Fund and the Fringe Benefit Escrow Fund an Agency Fund, differs from their presentation at March 31, 2001. These funds/accounts were reclassified because their purpose and nature changed. The Debt Reduction Reserve Account is now reported as a fund in the Debt Service Funds and the Fringe Benefit Escrow Fund is now reported as an account of the General Fund. As a result in this change in reporting, fund balances as of March 31, 2001 have been restated for the General Fund and Debt Service Funds.

The restated fund balances caused by the adoption of GASBS No. 33 and No. 36 and the change in presentation are summarized below (amounts in thousands):

	General	Debt Service
Fund balances at		
March 31, 2001	\$ 4,169,973	\$ 2,035,770
GASBS No. 33, No. 36	(262,299)	—
Account/Fund		
reclassification, net	2,727	250,000
Fund balances at		
March 31, 2001,		
as restated	<u>\$ 3,910,401</u>	<u>\$ 2,285,770</u>

The reclassification of the Fringe Benefit Escrow Fund had the affect in the current year of reducing the General Fund deficit and Agency Fund assets and liabilities by \$265 million. Reclassification of the Debt Reduction Reserve Fund in the current year reduced transfers from the General Fund to the Debt Service Fund by \$250 million.

o. Disaster Assistance—World Trade Center

Expenditures incurred by State agencies and disaster assistance payments to New York City for allowable costs associated with the World Trade Center Disaster have been funded with Federal Emergency Management Agency (FEMA) grant monies under the Public Assistance Program. These expenditures were recorded within the Special Revenue Funds in Exhibit B as Disaster Assistance—World Trade Center. All expenditures incurred through March 31, 2002 and reported through Public Assistance Program's project worksheets as allowable under the Program for Federal reimbursement were recorded as expenditures and related Federal grants. Adjustments to costs are expected through future project worksheets as work is completed and the results are subject to audit. The portion of the overall costs that were not eligible for Federal reimbursement are recorded in the General Fund in Exhibit B as Disaster Assistance—World Trade Center. At March 31, 2002, there were approximately \$500 million in

approved project worksheets for future expenditures to be incurred.

The State also established the New York State World Trade Center Relief Fund to raise funds for the victims' families. As of March 31, 2002, \$63 million had been collected and nearly \$34 million paid to victims' families. All funds collected are to be distributed to the victims' families. The undistributed balance of \$29 million is reported in an Agency Fund.

p. Total (Memorandum Only)

Total columns in Exhibits F and G in the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present results of operations in conformity with GAAP. Neither is such data comparable to a consolidation.

q. Estimates

The preparation of the general purpose financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 Cash and Investments

Custodians are authorized by various statutes to deposit funds in checking accounts or interest-bearing accounts including certificates of deposit. Legally authorized investments vary by fund but generally include: obligations of or guaranteed by the United States; obligations of New York State and its political subdivisions, repurchase agreements, corporate bonds and commercial paper. Information on cash and investments of the State and Local Retirement Systems is presented in Note 14.

Cash

The State maintains approximately 3,000 bank accounts for various purposes at locations throughout the State. Bank deposits may be under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance or under the sole custody of a specified State official. Both the State Comptroller and the Commissioner of Taxation and Finance are also sole custodians of certain accounts. Cash balances not required for immediate use are invested either through a short-term investment pool (STIP) administered by the State Comptroller or by the fund custodian.

For demand or checking accounts, the State requires that its depository banks pledge collateral based on average daily available bank balances. All securities pledged as collateral are held by the State's

fiscal agent in the name of the State. The use of average daily available balances to determine collateral requirements results in the available balances being under-collateralized at various times during the fiscal year. The State's cash management policy is to invest all major revenues as soon as the monies are available within the banking system which limits under-collateralization. The State's deposits with financial institutions were fully collateralized (carrying amount of deposits was \$4.5 billion and the bank balance was \$3.8 billion) at fiscal year-end, except for accounts with a total book balance of \$227 million, and bank balance of \$189 million. The bank balance of \$189 million was uninsured and uncollateralized.

Investments

The State holds investments both for its own benefit and as an agent for other parties. Major investment programs conducted for the direct benefit of the State include STIP which is used for the temporary investment of funds not required for immediate payments, sole custody funds administered by the Department of Taxation and Finance, and funds of the Division of the Lottery.

The following table presents the reported amount and fair value of investments by type and categorizes, by level of risk, the reported amounts as follows: Category 1 are those which are insured or registered, or held by

the State or its agent in the State's name. Category 2 are those which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name. Category 3 includes

uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the State's name (amounts in thousands):

	Category			Reported Amount	Fair Value
	1	2	3		
Government securities	\$ 3,541,135	\$ 740,194	\$ 1,749,492	\$ 6,030,821	\$ 6,163,851
Repurchase agreements	602,785	1,760,354	68,577	2,431,716	2,442,346
Commercial paper	3,091,497	—	—	3,091,497	3,099,639
Corporate bonds/notes	12,136	—	5,250	17,386	17,386
Other	305,086	12,053	1,412,246	1,729,385	1,729,553
Total	\$ 7,552,639	\$ 2,512,601	\$ 3,235,565	13,300,805	13,452,775
Investments not subject to categorization:					
Mutual funds				177,829	177,829
Total investments				\$ 13,478,634	\$ 13,630,604

Disclosures relating to risk and type of investment as presented above report positions held as of March 31, 2002. See Note 14 for disclosures relating to credit risks for investments of the State and Local Retirement Systems.

Also included in the accompanying general purpose financial statements are securities which either were not acquired for investment purposes or cannot be classified or categorized. Employers seeking self-insurer status for workers' compensation purposes may deposit securities specified by Section 235 of the New York State Banking Law with the chairman of the Workers' Compensation Board. The State holds these securities (carrying amount \$47 million, which approximates fair value) only as an agent for the employers. Securities, which are unclaimed at financial institutions, are transferred periodically to the State and are held temporarily by the State until they can be liquidated. The securities or proceeds can be claimed by the owners under established procedures. These securities had a carrying amount and fair value of \$369 million at March 31, 2002. The State holds cash and securities deposited by contractors in lieu of retainage

on contract payments (carrying amount and fair value of \$93 million). SUNY has investments for endowment and similar funds of approximately \$736 million (Category 1) comprised of corporate stocks and non-equities of \$499 million and \$237 million, respectively. CUNY has investments in mutual funds and amounts held by the Dormitory Authority of \$7 million and \$109 million, respectively. In addition, CUNY lends certain securities to broker-dealers and other entities under a contractual agreement with its custodian. In exchange for the securities loaned, CUNY receives collateral, which has an underlying fair value in amounts not less than 102% of securities lent. The custodian may invest the cash collateral in U.S. Government securities or repurchase agreements, which are fully collateralized by U.S. Government securities, high grade corporate obligations, high grade asset-backed securities or domestic money market instruments (carrying amount and fair value of \$4 million) (Category 3). CUNY cannot pledge or sell any of the collateral received unless the borrower defaults. At June 30, 2001, CUNY had no credit risk resulting from securities lending transactions.

Note 3 Taxes Receivable and Tax Refunds Payable

Taxes Receivable

Taxes receivable represent amounts owed by taxpayers for the 2001 calendar year and the first quarter of the 2002 calendar year, including assessments for underpayments, penalties and interest. Taxes receivable are accrued when they become both measurable and available based on actual collections or estimates of amounts to be collected during the next 12 months.

Personal income tax (PIT) revenues are reported as income as earned by the taxpayers. The primary components of the PIT receivable are the estimated and withholding payments which relate to the first quarter of the 2002 calendar year, payments with final returns which relate to the 2001 calendar year, and assessments which relate to prior tax periods.

Consumption and use tax revenues are reported in the fiscal period when the sale is made. The principal component of this receivable is sales tax receivables which include sales tax due through March 31, 2002 and assessments which relate to prior tax periods.

General business tax revenues are reported as businesses earn income. General business tax receivables are comprised of estimated tax payments, payments remitted with final returns, and assessments.

Other taxes receivable are comprised of estate and gift taxes, real property gains taxes, real estate transfer taxes, and assessments.

Unemployment tax receivables represent taxes on payrolls incurred by employers prior to April 1, 2002 and received by the State after March 31, 2002.

Taxes receivable at March 31, 2002 are summarized as follows (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
Personal income	\$ 4,527,308	\$ —	\$ —	\$ —	\$ —
Consumption and use	612,002	62,638	187,755	52,946	—
Business	188,455	32,730	—	27,169	—
Unemployment	—	—	—	—	1,164,698
Other	537,103	—	18,555	—	—
Subtotal	5,864,868	95,368	206,310	80,115	1,164,698
Allowance for uncollectibles	(143,297)	(1,632)	(24,271)	(2,633)	—
Total	\$ 5,721,571	\$ 93,736	\$ 182,039	\$ 77,482	\$ 1,164,698

Tax Refunds Payable

Tax refunds payable primarily represent amounts owed to taxpayers because of overpayments of their 2001 calendar year and first quarter 2002 calendar year tax liabilities. Tax refunds payable, which reduce respective tax revenues, are accrued to the extent they are measurable based on payments and estimates. The remaining portion of tax refunds payable is comprised of payments made subsequent to the end of the fiscal year and estimates of the refund liability.

The State refined its methodology for accruing tax revenues and related refunds. As a result of the updated estimates tax refunds payable of \$458 million to be paid in future years are now recognized in the General Long-Term Obligations account group. In addition, refunds of business taxes of approximately \$160 million in the General Fund and \$40 million in the Special Revenue Fund were recognized in the current year due to the change in estimation. Tax refunds payable at March 31, 2002 are summarized as follows (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects	General Long-Term Obligations
Personal income	\$ 3,404,163	\$ —	\$ —	\$ —	\$ 208,945
Consumption and use	38,890	5,497	13,401	5,917	124,480
Business	937,205	104,756	—	5,108	104,866
Other	48,006	—	4	—	19,889
Total	\$ 4,428,264	\$ 110,253	\$ 13,405	\$ 11,025	\$ 458,180

Note 4 Other Receivables

Other receivables at March 31, 2002 are summarized as follows (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects	College and University	Trust and Agency
Miscellaneous receivables:						
Lottery	\$ —	\$ 115,927	\$ —	\$ —	\$ —	\$ 168,288
Public health/patient fees	—	262,773	204,123	—	490,588	—
Student loans	—	—	—	—	197,637	—
Retirement systems	—	—	—	—	—	2,070,676
Tobacco settlement	—	502,489	—	—	—	—
Port Authority of New York and New Jersey ...	449,339	—	—	—	—	—
Other	268,176	30,973	70,622	37,148	479,242	363,508
Total	717,515	912,162	274,745	37,148	1,167,467	2,602,472
Allowance for uncollectibles	(9,995)	(9,786)	(144,699)	(2,259)	(374,154)	—
Net	707,520	902,376	130,046	34,889	793,313	2,602,472
Appropriated loans:						
Assessments	1,150	—	—	8,554	—	—
Due from local governments	—	—	—	31,359	—	—
Due from public benefit corporations	8,447	8,500	—	186,601	—	—
Total	9,597	8,500	—	226,514	—	—
Allowance for uncollectibles	(7,631)	—	—	(196,932)	—	—
Net	1,966	8,500	—	29,582	—	—
Total other receivables, net	\$ 709,486	\$ 910,876	\$ 130,046	\$ 64,471	\$ 793,313	\$ 2,602,472

Appropriated loans represent monies appropriated in the form of loans or advances from the General Fund and a Special Revenue Fund to finance State agencies, local governments or public benefit corporations' operations, or from various Capital Projects Funds to finance construction or debt service of public benefit corporations or local governments. The underlying appropriation bills provide that amounts will be repaid pursuant to repayment agreements with public benefit corporations or local governments. The loans

are reported net of estimated uncollectible amounts and as a reservation of fund balance.

Pursuant to an agreement with the Port Authority of New York and New Jersey, the State sold office building lease rights in return for a series of payments to the State over a period of 30 years (see Note 16). A receivable for \$449 million has been recorded in the General Fund and offset by deferred revenues of \$432 million which represents the long-term portion of the receivable.

Note 5 Fixed Assets

The following is a summary of changes in fixed assets in the General Fixed Assets Account Group for the year ended March 31, 2002 (amounts in thousands):

Classes	Balance April 1, 2001	Additions	Deletions	Balance March 31, 2002
Land	\$ 1,066,852	\$ 27,106	\$ 20,352	\$ 1,073,606
Land improvements	338,835	17,871	48	356,658
Buildings	6,625,403	386,135	52,731	6,958,807
Equipment	651,910	46,183	14,236	683,857
Construction in progress	1,268,757	321,157	301,744	1,288,170
Total	\$ 9,951,757	\$ 798,452	\$ 389,111	\$ 10,361,098

The following represents year-end balances of fixed assets for the year ended June 30, 2001 for SUNY and

CUNY as reported in the College and University Funds (amounts in thousands):

Classes	SUNY	CUNY	Total
Land and improvements	\$ 430,112	\$ 236,960	\$ 667,072
Buildings	3,713,662	2,411,546	6,125,208
Equipment and library books	1,253,070	423,252	1,676,322
Construction in progress	607,835	522,026	1,129,861
Artwork	—	5,761	5,761
Total	\$ 6,004,679	\$ 3,599,545	\$ 9,604,224

Note 6 Liabilities

The following amounts summarize payable to local governments at March 31, 2002 (amounts in thousands):

Description	General	Special Revenue	Capital Projects	General Long-Term Obligations	Trust and Agency
Handicapped pupil education programs	\$ 796,522	\$ —	\$ —	\$ 89,003	\$ —
Other education programs	81,769	51,532	—	509,218	—
Temporary and disability assistance programs	437,687	632,470	—	—	—
Local health programs	225,950	84,994	—	—	—
Mental hygiene programs	59,841	5,947	—	—	—
Criminal justice programs	64,260	7,793	—	—	—
Children and family services programs	143,406	414,809	—	—	—
Local share of tax revenues	120,363	—	—	—	1,381,726
Litigation	26,000	—	—	—	—
Agency funds	—	—	—	—	133,328
Yonkers settlement	—	—	—	150,000	—
Disaster assistance—World Trade Center	—	377,151	—	—	—
Miscellaneous	176,705	75,031	58,216	6,895	465
Total	\$ 2,132,503	\$ 1,649,727	\$ 58,216	\$ 755,116	\$ 1,515,519

The following amounts summarize accrued liabilities at March 31, 2002 (amounts in thousands):

Description	General	Special Revenue	Capital Projects	College and University	Trust and Agency
Payroll	\$ 377,742	\$ 32,552	\$ 21,661	\$ 121,059	\$ —
Fringe benefits	195,374	10,113	6,968	89,131	—
Compensated absences	—	—	—	511,553	—
Medicaid rate appeals	—	63,493	—	—	—
Medicaid	1,520,036	2,324,934	—	—	—
Health programs	—	596,771	—	—	—
Litigation	65,270	—	—	73,298	—
Escheat property	14,375	—	—	—	501,166
Workers' compensation claims	188,592	—	—	—	—
Interest payable	—	—	—	267,913	—
Agency funds	—	—	—	—	4,141,293
Retirement systems	—	—	—	—	8,657,278
Miscellaneous	51,473	11,397	14,326	729,195	78,089
Total	\$ 2,412,862	\$ 3,039,260	\$ 42,955	\$ 1,792,149	\$ 13,377,826

The following amounts summarize the changes in the respective long-term liability accounts at March 31, 2002 (amounts in thousands):

Description	April 1, 2001	Additions	Deletions	March 31, 2002
Tax refunds payable	\$ —	\$ 458,180	\$ —	\$ 458,180
Pension contributions payable	\$ 75,101	\$ —	\$ 28,782	\$ 46,319
Payable to local governments:				
Prior-year NYC education aid	\$ 503,473	\$ 62,745	\$ 57,000	\$ 509,218
Handicapped pupil education costs	101,856	—	12,853	89,003
Yonkers settlement	220,000	—	70,000	150,000
Miscellaneous	—	6,895	—	6,895
Total payable to local governments	\$ 825,329	\$ 69,640	\$ 139,853	\$ 755,116
Other long-term liabilities:				
State Insurance Fund	\$ 287,395	\$ —	\$ 197,535	\$ 89,860
Workers' compensation reserves	780,074	102,507	—	882,581
Compensated vacation leave	701,122	609,550	566,168	744,504
Compensated sick leave	1,007,873	342,198	305,993	1,044,078
Litigation	267,760	334,049	—	601,809
Health insurance reserve	192,121	16	—	192,137
Medicaid rate appeals	455,020	—	66,136	388,884
Medicaid	131,362	—	34,798	96,564
Lag payroll	131,449	—	7,174	124,275
Escheat property	14,375	—	14,375	—
Capital leases	214,772	38,859	32,548	221,083
Miscellaneous	90,195	179,712	—	269,907
Total other long-term liabilities	\$ 4,273,518	\$ 1,606,891	\$ 1,224,727	\$ 4,655,682

Note 7 Bonds Payable

General obligation bonds are backed by the full faith and credit of the State and must be repaid in equal annual installments beginning not more than one year

after issuance of such bonds. Changes for the year in bonds payable were as follows (amounts in thousands):

Purpose	Outstanding April 1, 2001	Issued	Redeemed	Outstanding March 31, 2002
Accelerated capacity and transportation improvements of the nineties (3.7%-7.1%)	\$ 1,466,015	\$ —	\$ 161,730	\$ 1,304,285
Clear water/clean air (4.0%-6.75%)	611,828	180,792	34,992	757,628
Environmental quality:				
Land acquisition (4.0%-7.1%)	148,968	2,015	9,524	141,459
Solid waste management (4.0%-6.9%)	690,208	28,688	37,073	681,823
Environmental quality protection:				
Air (4.0%-7.5%)	37,027	—	2,735	34,292
Land and wetlands (4.0%-12.0%)	103,205	—	10,170	93,035
Water (3.75%-12.0%)	271,919	—	23,097	248,822
Higher education (2.0%-6.5%)	10,480	—	4,100	6,380
Housing:				
Low income (1.0%-7.0%)	167,076	—	14,691	152,385
Middle income (3.4%-6.6%)	79,076	—	3,594	75,482
Urban renewal (4.25%-7.5%)	1,127	—	264	863
Outdoor recreation development (4.1%-7.8%)	1,057	—	219	838
Parks and recreation land acquisition (4.25%-7.8%)	336	—	116	220
Pure waters (2.0%-12.0%)	235,151	—	29,872	205,279
Rail preservation (4.0%-12.0%)	72,487	—	8,505	63,982
Transportation capital facilities:				
Mass transportation (2.0%-12.0%)	174,261	—	30,452	143,809
Aviation (3.0%-12.0%)	81,102	—	8,999	72,103
Energy conservation through improved transportation (3.7%-12.0%)	93,220	—	18,622	74,598
Rebuild New York—transportation infrastructure renewal:				
Highways, parkways, bridges (4.1%-7.1%)	19,226	—	7,255	11,971
Ports, canals, waterways (4.1%-7.5%)	7,166	—	2,428	4,738
Rapid transit, rail, aviation (4.1%-7.5%)	75,120	—	6,895	68,225
Total	\$ 4,346,055	\$ 211,495	\$ 415,333	\$ 4,142,217

Debt service expenditures related to the above general obligation bonds during the year were \$624 million.

Debt service requirements for general obligation bonds in future years, which are financed by transfers from the General Fund, are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2003	\$ 390,399	\$ 181,506	\$ 571,905
2004	335,387	163,897	499,284
2005	308,492	147,279	455,771
2006	301,005	131,769	432,774
2007	305,147	116,270	421,417
Thereafter	2,501,787	566,637	3,068,424
Total	\$ 4,142,217	\$ 1,307,358	\$ 5,449,575

Debt service requirements on approximately \$582 million in general obligation variable rate bonds is calculated using the variable rates in effect as of March 31, 2002. Debt service requirements on \$230 million of general obligation variable rate bonds in commercial paper mode is calculated at the rate most recently remarketed as of March 31, 2002. In the prior year financial statement future debt service was calculated using an estimated rate at which the same amount of fixed rate bonds would have sold at. The effect of using actual rates in effect at March 31, 2002 was to lower reported future total interest costs by \$294 million.

The total amount of general obligation bonds authorized but not issued at March 31, 2002 was \$1.396 billion. At March 31, 2002, approximately \$300 million of bonds defeased by refunding in prior years remain outstanding. The assets and liabilities related to these bonds are not reported in the accompanying general purpose financial statements.

Note 8 Local Government Assistance Corporation

In past years certain payments due to the State's local government units in the first quarter of the State's fiscal year exceeded available State funds. To meet these payments in the past, the State issued short-term tax and revenue anticipation notes called the annual Spring Borrowing. The New York Local Government Assistance Corporation (Corporation) was established by Chapter 220 of the Laws of 1990 (as amended by Chapter 2 of the Laws of 1991) to issue up to \$4.7 billion in long-term debt to finance certain local assistance aid payments plus amounts necessary to fund a capital reserve fund and other issuance costs. Issuance of the entire \$4.7 billion bond authorization as of March 31, 1996 eliminated the need for the State's annual Spring Borrowing.

Payments of debt service on the Corporation's bonds will be made from funds received from the State. Pursuant to the Act establishing the Corporation, the State deposits 25% of the total State sales and use tax collected into the Local Government Assistance Tax Fund (a Debt Service Fund) which is to be used to make payments to the Corporation. Amounts in excess of the Corporation's needs are subsequently transferred to the General Fund. Payments to the Corporation are subject to annual appropriations by the Legislature. The Corporation's bondholders do not have a lien on monies deposited in the Local Government Assistance Tax Fund. Under current State statute, any issuance of bonds by the Corporation in the future will be for refunding purposes only.

The Corporation's general bond resolution requires one or more capital reserve accounts be established and funded in an amount equal on an amortized cost basis to the maximum amount of principal, sinking fund installments, or redemption price of and interest

on all bonds outstanding, or on any related reimbursement obligations coming due during the then current or any succeeding fiscal year. The Corporation may also fund a capital reserve account with a surety bond or other similar instrument. The Corporation purchased a surety bond for \$170 million that will expire on April 1, 2021. The capital reserve (\$259 million at amortized cost) is reported as cash and investments in the Debt Service Funds with a corresponding reservation of fund balance at its fair value of \$262 million.

Debt Service requirements for future years are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2003	\$ 93,555	\$ 202,763	\$ 296,318
2004	99,140	198,632	297,772
2005	135,260	193,227	328,487
2006	143,088	195,401	338,489
2007	133,446	211,395	344,841
Thereafter ...	4,016,406	1,757,481	5,773,887
Total	\$ 4,620,895	\$ 2,758,899	\$ 7,379,794

Debt service requirements on \$913.7 million in variable rate bonds is calculated using the rate in effect at March 31, 2002. All other bonds have fixed interest rates ranging from 4.3% to 7.0%. In prior years financial statements future debt service was calculated using an assumed rate of 6% on the variable rate bonds. The effect of using actual rates in effect at March 31, 2002 was to lower reported future interest cost by \$718 million.

The use of the Corporation's bond proceeds to fund \$4.7 billion in local assistance payments had the effect of reducing the General Fund accumulated unreserved deficit.

Note 9 Obligations Under Lease/Purchase and Other Financing Arrangements

The State has entered into lease/purchase agreements with certain public benefit corporations, municipalities and other entities for various capital assets. Under these agreements, construction costs are initially paid by the State from appropriations (reported as capital construction expenditures in the Capital Projects Funds). These appropriations are then repaid to the State from the proceeds of bonds issued by the public benefit corporations or other entities (reported as proceeds from financing arrangements in the Capital Projects Funds). The State becomes the tenant of the facility under a lease/purchase agreement which provides for the payment of rentals sufficient to cover the related bond debt service and for the passage of title to the State after the bonds have been repaid.

The State has also entered into contractual obligation financing arrangements (also referred to as "service contract bonds") with certain public benefit

corporations. The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by these entities.

During the year, the State entered into various arrangements for the refinancing and purchase of equipment and real property through the issuance of certificates of participation. These certificates are issued through a trustee and the State is responsible to the trustee for interest and principal payments made by the trustee to the certificate holders. The State maintains custody and use of the equipment and real property. However, title is held by the trustees as security for the certificate holders until such time as the certificates are fully paid. Proceeds from the issuance of these certificates and the related capital construction expenditures are accounted for in essentially the same manner as lease/purchase agreements.

Changes in lease/purchase and other financing arrangements for the year were as follows (amounts in thousands):

Issuer	Outstanding April 1, 2001	Issued	Redeemed	Outstanding March 31, 2002
Public Benefit Corporations (PBCs):				
Housing Finance Agency	\$ 918,351	\$ 120,000	\$ 80,628	\$ 957,723
Dormitory Authority—Other	1,904,100	89,701	198,572	1,795,229
Dormitory Authority—Mental Health Services Facilities	3,610,506	178,820	215,109	3,574,217
Thruway Authority	6,569,285	981,770	417,635	7,133,420
Triborough Bridge & Tunnel Authority	340,585	—	24,180	316,405
Metropolitan Transportation Authority	1,900,434	—	60,035	1,840,399
Urban Development Corporation	4,211,559	—	130,025	4,081,534
Community Enhancement Facilities Assistance Program	233,000	43,230	32,460	243,770
Environmental Facilities Corporation	283,720	31,560	36,490	278,790
Energy Research & Development Authority	77,655	—	10,965	66,690
Total PBCs	20,049,195	1,445,081	1,206,099	20,288,177
Other Entities:				
County of Albany	3,870	—	3,870	—
Total PBCs and other entities	20,053,065	1,445,081	1,209,969	20,288,177
Certificates of Participation	272,872	—	115,904	156,968
Local Government Assistance Corporation	4,728,215	—	107,320	4,620,895
Total	\$ 25,054,152	\$ 1,445,081	\$ 1,433,193	\$ 25,066,040

Debt service expenditures for the aforementioned obligations during the year were \$2.7 billion including \$145 million for debt repaid in advance of the due date. These expenditures were financed primarily by the revenues reported in the Debt Service Funds, transfers of Medicaid monies from the Special Revenue Funds, transfers from the General Fund, and transfers from the Capital Projects' Funds (see Note 10).

Certain of the underlying bond indentures require the maintenance of various reserves. Such amounts (\$1.6 billion) are reported as cash of the appropriate Debt Service Fund with a corresponding reservation of fund balance. Subsequent to year end, the MTA refunded \$1.8 billion in State-supported service contract bonds and used the \$120 million of reserve funds reported in the Debt Service Fund for MTA capital projects.

Following is a summary of the future minimum rental payments for lease/purchase and contractual obligation financing arrangements including interest at rates ranging from 2.1% to 15% (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2003	\$ 1,097,386	\$ 1,076,851	\$ 2,174,237
2004	1,022,438	1,028,561	2,050,999
2005	1,068,168	975,288	2,043,456
2006	1,068,443	916,241	1,984,684
2007	1,054,366	859,379	1,913,745
Thereafter ...	14,977,376	6,819,804	21,797,180
Total	\$ 20,288,177	\$ 11,676,124	\$ 31,964,301

Certain certificates of participation issues require the maintenance of a reserve. These amounts (\$11 million) are reported as cash of the appropriate Debt Service Fund with a corresponding reservation of fund balance.

Debt service requirements for certificates of participation, which are financed by transfers from the General Fund, including interest at rates ranging from 4.0% to 7.75%, are as follows (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2003	\$ 94,680	\$ 6,132	\$ 100,812
2004	52,765	2,248	55,013
2005	6,959	367	7,326
2006	1,875	76	1,951
2007	689	21	710
Thereafter ...	—	—	—
Total	\$ 156,968	\$ 8,844	\$ 165,812

The State is also committed under numerous capital leases covering real property, EDP and telecommunications equipment. Debt service expenditures for these obligations during the year were \$45 million. The liability for the remaining principal of \$221 million is reported in the General Long-Term Obligations Account Group as other long-term liabilities. Included with these capital leases are several real property capital leases which will require principal payments in the amount of \$181 million and interest payments in the amount of \$135 million throughout the lives of the leases.

Following is a summary of the principal and interest payments, some of which are financed by transfers from the General Fund, for the remaining lease periods of these capital leases (amounts in thousands):

Fiscal Year	Principal	Interest	Total
2003	\$ 40,399	\$ 11,846	\$ 52,245
2004	15,032	10,222	25,254
2005	10,280	9,359	19,639
2006	9,811	8,739	18,550
2007	10,091	8,109	18,200
Thereafter ...	135,470	88,527	223,997
Total	\$ 221,083	\$ 136,802	\$ 357,885

In prior years, the State refunded certain of its Obligations Under Lease/Purchase and Other Financing Arrangements. At March 31, 2002, approximately \$2.8 billion of such obligations, including college and university debt, were outstanding. The assets and liabilities related to these obligations are not reported in the accompanying general purpose financial statements.

In March 1989, the State refinanced certain lease/purchase agreement rental payments. The refinancing plan required the Urban Development Corporation to sell \$123 million in capital appreciation bonds and to loan the proceeds to the General Fund for the purpose of funding four semi-annual lease payments for which previous payments had been funded by transfers from the General Fund to the Debt Service Funds. The bonds have maturity dates through 2011. Interest rates on remaining maturities range from 8.0% to 8.1%. The total of all remaining payments on this debt is \$310 million. The liability relating to the outstanding principal balance and any accrued interest on the

bonds is reported as other long-term liabilities within the General Fund. The fund liability reflects a loan from a component unit, the New York State Urban Development Corporation, operating as the Empire State Development Corporation, to the General Fund.

The State is also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the year ended March 31, 2002 under such operating leases totaled \$137 million and were financed primarily from the General Fund. The following is a summary of future minimum rental commitments under real property and equipment leases with terms exceeding one year (amounts in thousands):

Fiscal Year	Amount
2003	\$ 163,145
2004	158,009
2005	144,182
2006	129,239
2007	119,184
Thereafter	432,012
Total	\$ 1,145,771

College and University Debt

The Dormitory Authority issues debt on behalf of SUNY and CUNY. The debt service is funded from subsidies from the General Fund and certain student fees. The following tables present information for lease/purchase debt, certificates of participation financing, and capital and operating lease data relating to college and university operations.

The following represents June 30, 2001 year-end balances for SUNY and CUNY lease/purchase and other financing arrangements (amounts in thousands):

	Outstanding End of Year
Public Benefit Corporations (See Note 15):	
Dormitory Authority—CUNY	\$ 2,672,700
Dormitory Authority—SUNY	348,890
Dormitory Authority—SUNY Educational Facilities	4,080,035
Total lease/purchase	7,101,625
Certificates of Participation	161,197
Capital Lease Commitments	60,010
Total	\$ 7,322,832

The following is a summary of future minimum rental payments for lease/purchase and contractual obligations financing arrangements for SUNY and

CUNY including interest rates ranging from 3.7% to 9.3% (amounts in thousands):

Fiscal Year	SUNY	CUNY	Total
2002	\$ 392,933	\$ 265,738	\$ 658,671
2003	387,182	265,952	653,134
2004	397,110	264,371	661,481
2005	393,411	258,856	652,267
2006	389,780	250,089	639,869
Thereafter	5,791,155	3,264,472	9,055,627
Total minimum lease payments	7,751,571	4,569,478	12,321,049
Less amount representing interest	(3,322,646)	(1,847,348)	(5,169,994)
Less unamortized original issue discount	—	(49,430)	(49,430)
Present value of net minimum lease payments	\$ 4,428,925	\$ 2,672,700	\$ 7,101,625

Subsequent to the June 30, 2001 fiscal year-end for both SUNY and CUNY, the following debt, exclusive of

refunding issues, was issued by the Dormitory Authority in the amounts indicated (amounts in thousands):

<u>Issue Date</u>	<u>Issue Title/Series</u>	<u>Amount</u>
November 28, 2001	CUNY Senior Colleges 4th Resolution—Series 2001A	\$ 148,995
December 6, 2001	SUNY Dormitory Facilities—Series 2001	99,405
February 28, 2002	SUNY Educational Facilities—Series 2002A	249,630

Debt service requirements for certificates of participation including interest rates ranging from 4.3% to 7.9% are as follows (amounts in thousands):

<u>Fiscal Year</u>	<u>SUNY</u>	<u>CUNY</u>	<u>Total</u>
2002	\$ 7,824	\$ 20,445	\$ 28,269
2003	3,812	20,255	24,067
2004	2,439	20,221	22,660
2005	1,953	20,188	22,141
2006	682	20,148	20,830
Thereafter	371	79,868	80,239
Total minimum lease payments	17,081	181,125	198,206
Less amount representing interest	(872)	(36,560)	(37,432)
Subtotal	16,209	144,565	160,774
Unamortized premium	—	423	423
Present value of net minimum lease payments	\$ 16,209	\$ 144,988	\$ 161,197

SUNY and CUNY also have numerous capital lease commitments covering EDP, telecommunications equipment, and renovation of building space. The following is a summary of principal and interest payments

for the remaining lease periods of these capital leases including interest rates ranging from 4% to 10% (amounts in thousands):

<u>Fiscal Year</u>	<u>SUNY</u>	<u>CUNY</u>	<u>Total</u>
2002	\$ 22,251	\$ 698	\$ 22,949
2003	16,509	698	17,207
2004	9,500	698	10,198
2005	5,189	698	5,887
2006	3,812	698	4,510
Thereafter	4,660	4,885	9,545
Total minimum lease payments	61,921	8,375	70,296
Less amount representing interest	(6,778)	(3,508)	(10,286)
Present value of net minimum lease payments	\$ 55,143	\$ 4,867	\$ 60,010

The liability for lease/purchase debt, certificates of participation and capital leases are reported as obligations under lease/purchase and other financing arrangements in the College and University Funds.

Debt service expenditures for all of the aforementioned obligations during the year totaled \$716 million. The funding source for these expenditures is primarily State Debt Service Fund appropriations.

SUNY and CUNY are also committed under numerous operating leases covering real property and equipment. Rental expenditures reported for the year ended June 30, 2001, under such operating leases totaled \$50 million. The following is a summary of future minimum rental commitments under real property and equipment operating leases with terms exceeding one year (amounts in thousands):

<u>Fiscal Year</u>	<u>SUNY</u>	<u>CUNY</u>	<u>Total</u>
2002	\$ 17,909	\$ 11,559	\$ 29,468
2003	16,040	11,009	27,049
2004	14,071	9,115	23,186
2005	12,431	8,482	20,913
2006	7,188	7,850	15,038
Thereafter	4,532	42,371	46,903
Total	\$ 72,171	\$ 90,386	\$ 162,557

Note 10 Interfund Transactions and Other Transfers

Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund which utilizes them. The more significant transfers include the transfer of General Fund revenues to Capital Projects Funds (\$289 million), to College and University Funds (\$2.4 billion) and to Debt Service Funds (\$2.1 billion), and the transfer of excess revenues of Debt Service Funds to the General Fund. The transfers from Debt Service Funds in support of certain health, mental health and retardation expenditures (\$1.8 billion) are made after first satisfying debt service and rental reserve requirements using revenues provided by patient fees. The transfers from Debt Service Funds includes transfers to the General Fund for expenditures in support of general government (\$1.8 billion) which represents excess sales tax receipts of the Local Government Assistance Tax Fund not needed for debt service and excess real property transfer tax receipts from the Clean Water and Air Fund (\$193 million) and transfers to College and University Funds (\$40 million). Transfers to the General Fund from Expendable Trust Funds of \$407 million represented excess abandoned property funds not needed to pay claims. Operating transfers from Special Revenue Funds are comprised of the Federal share of Medicaid payments for a variety of purposes including transfers to Debt Service Funds for recipients residing in State-operated mental health and retardation facilities (\$1.9 billion) and transfers to the General Fund to fund various health related programs (\$599 million). Operating transfers from Capital Projects Funds to Debt Service Funds include funding for payment of debt service on lease purchase bonds issued to finance local highway and bridge projects (\$716 million).

Operating transfers from the Governmental Funds to the College and University Funds are reported as operating transfers to other funds by the Governmental Funds and as nonmandatory transfers from State appropriations by the College and University Funds. As explained in Note 1, the amounts reported for the College and University Funds are derived from their annual financial statements for the fiscal year ended June 30, 2001. Therefore, because of the different fiscal year-end for the College and University Funds, total operating transfers to other funds exceed total operating transfers from other funds by \$236 million.

The General Fund, Special Revenue Funds and Capital Projects Funds make operating transfers to certain Public Benefit Corporations to subsidize operations and to acquire capital assets. For the fiscal year ended March 31, 2002, the General Fund, Special Revenue Funds and Capital Projects Funds made operating transfers to public benefit corporations totaling more than \$1.9 billion. The more significant transfers include the transfers from the General Fund to Metropolitan Transportation Authority of \$112 million and to the Urban Development Corporation of \$107 million.

The transfers from Special Revenue Funds were to the Metropolitan Transportation Authority for \$1.2 billion. During the same time, certain Public Benefit Corporations made operating transfers to the General Fund and Special Revenue Funds amounting to \$75 million and \$10 million, respectively. These amounts differ from amounts reported on Exhibit D as operating transfers from primary government and operating transfers to primary government, totaling \$2 billion and \$41 million, respectively, because certain Public Benefit Corporations have fiscal years different than the State's. In addition, those operating transfers from the primary government to the public benefit corporations that are used to acquire capital assets are reported as capital contributions by the Public Benefit Corporations.

Due From/To Other Funds

The following is a summary of due from other funds and due to other funds at March 31, 2002 (amounts in thousands):

Fund Type/Fund	Due From	Due To
GENERAL	\$ 1,184,696	\$ 299,965
SPECIAL REVENUE:		
Federal USDA—FNS	84	4,020
Federal DHHS	45,770	254,515
Federal Education	2,738	30,189
Federal DHHS Block Grant	1,149	14,772
Federal Operating Grants	3,134	79,752
Conservation	886	1,904
Environmental Protection and Oil Spill Compensation	2,239	657
Mass Transportation Operating Assistance	—	2,058
Unemployment Insurance Administration	1,019	9,374
Federal Job Training Partnership ..	—	4,312
Miscellaneous Special Revenue ..	3,188	29,472
Total Special Revenue	60,207	431,025
DEBT SERVICE:		
Mental Hygiene Services	82,165	—
Department of Health Income	6,021	—
Total Debt Service	88,186	—
CAPITAL PROJECTS:		
State Capital Projects	816	25,320
Dedicated Highway and Bridge Trust	125	68,392
Environmental Protection	264	4
Federal Capital Projects	291	125,288
Division for Youth Facilities Improvement	—	18,357
Housing Program	—	121,469
DOT Engineering Services	45,044	223,003
Mental Hygiene Facilities Capital Improvement	825	2,009
Correctional Facilities Capital Improvement	3	154,846
Miscellaneous Capital Projects ...	1,314	11,627
Total Capital Projects	48,682	750,315

Fund Type/Fund	Due From	Due To
COLLEGE AND UNIVERSITY	503,852	—
TRUST AND AGENCY:		
Combined Expendable Trust	990	1,345
Miscellaneous Expendable Trust ..	68,696	38
Combined Trusts, Gifts, Requests	35	—
Employees Health Insurance	16	779
Employees Payroll Withholding ..	—	13,774
Employees Dental Insurance	414	—
CUNY Senior College Operating ..	398	487
Sole Custody, Agency	8,847	—
MMIS Statewide Escrow	—	27,440
Miscellaneous Agency	47,456	72,408
Total Trust and Agency	126,852	116,271
Total	\$ 2,012,475	\$ 1,597,576

The more significant balances due to/from other funds include \$782 million due to the General Fund to cover cash overdrafts in the short-term investment pool. These temporary interfund loans include \$580 million to various Capital Projects Funds and \$202 million to the Special Revenue Funds. These amounts include \$93 million due to the Fringe Benefit Escrow Account for fringe benefits on payrolls of the Governmental Funds.

As explained in Note 1, the amounts reported for the College and University Funds are derived from their annual financial statements for fiscal year ended June 30, 2001. Therefore, because of the different fiscal year-end of the College and University Funds, the total amount reported as due from other funds exceeds the total amount reported as due to other funds by \$415 million.

Note 11 Budgetary Basis Reporting

The State Constitution requires the Governor to submit annually an Executive Budget which contains a complete plan for all funds of expenditures for the ensuing fiscal year as well as all monies and revenues estimated to be available. The Executive Budget is accompanied by bills containing all recommended appropriations or reappropriations and any proposed legislation necessary to provide monies and revenues sufficient to meet such proposed expenditures. Budgets are prepared and enacted for all funds. Included in the proposed appropriation bills is a provision for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget includes a cash basis financial plan which must be in balance, i.e., disbursements must not exceed available receipts.

The Legislature enacts appropriation bills and revenue measures embodying those parts of the Executive Budget it has approved or modified. The Legislature may also enact a supplemental appropriation bill and special appropriation bills. When the Legislature convenes in January, it may enact a deficiency appropriation bill which authorizes additional unforeseen expenditures for the then current fiscal year. The Legislature did enact deficiency and supplemental appropriation bills during the year.

An appropriation is a statutory authorization against which expenditures may be made during a specific fiscal year, and from which disbursements may be made, for the purposes designated, up to the stated amount of the appropriation. An appropriation represents the maximum spending authority and is not a mandate to spend. The State's central accounting system includes controls over disbursements to ensure that the maximum spending authority is not exceeded during the life of the appropriation. Disbursements

are controlled at the major object level within each program/project of each State agency in accordance with the underlying approved appropriation bills. The major object and program/project levels vary among State agencies. For example, the program level reporting would provide information for programs such as Medicaid and Food Stamps. Project level information relates primarily to capital construction project appropriations. Compliance with the level of legal control is reported in a separate document entitled "*Appropriation/Segregation Accounts*." This document reports both disbursements and encumbrances, which reserve a portion of the applicable appropriation, thereby ensuring that the appropriations are not exceeded. Encumbrances are not considered a disbursement in the financial plan or an expenditure in the general purpose financial statements. Appropriations do not lapse at fiscal year-end. Generally, appropriations lapse on September 15, following the end of the fiscal year, except for state operations appropriations which lapse on June 30. Disbursements related to prior year appropriations and made during the lapse period are included in the subsequent fiscal year financial plan. The funds appropriated are determined in accordance with constitutional and statutory requirements. Many appropriations enacted are not intended to be used, although required by law. These types of appropriations will generally cause total appropriation authorizations to exceed cash basis financial plan (Exhibit C) disbursement amounts. Actual disbursements exceeded financial plan disbursements as reported on Exhibit C but did not exceed total appropriations. Most Capital Projects appropriations and many State operations appropriations are reappropriated each year by the Legislature and therefore the lives of such appropriations may be many years.

The annual budget cycle normally begins during the summer prior to the commencement of the fiscal year, with the State departments developing their budget requests for submission to the Division of the Budget in September. During the fall, the departmental requests are analyzed by the Division of the Budget, formal budget hearings are held and major policy decisions are made by the Governor and his staff. The Executive Branch phase of the process culminates in the submission of the Executive Budget to the Legislature in January. The Legislative committees review the Executive Budget, the Legislature holds public hearings and modifies the proposed Executive Budget, and appropriation bills should be enacted into law by the April 1 start of the fiscal year. If the budget is not enacted by April 1, the legislature enacts special emergency appropriations to continue State operations, as was done from April to August 2001.

Once the appropriation and revenue bills become law, the cash basis and the GAAP basis financial plans are revised by the Governor to reflect the impact resulting from changes in appropriations and revenue bills. The cash basis financial plan, which serves as the basis for the administration of the State's finances during the fiscal year, authorizes spending at amounts less than or equal to the appropriations enacted by the Legislature. Accordingly, the cash basis financial plan

is generally considered the State's "Budget" and the appropriate plan to present in Exhibit C.

The Governor is required to provide a quarterly report to the Legislature showing a comparison of the actual year-to-date results with the latest revised plans providing an explanation of any major deviations and any significant changes to the financial plans. Such revisions to the financial plan do not require that balance be maintained between receipts and disbursements.

The table shown below is a comparison of the State's cash basis financial plan with subsequent modifications published by the State to reflect changes during the fiscal year. The General fund taxes as reported below differ from those published by the State in September 2001 and February 2002 due to the exclusion of amounts on deposit in the refund reserve account of \$1,779 million and \$1,133 million, respectively. The financial plan had previously included these amounts as part of the ending fund balance. This adjustment allows for more accurate comparison with year-end results (see Exhibit C). The refund reserve account is used to pay for tax refunds across fiscal years and to help accomplish other financial plan objectives, including the movement of resources from one fiscal year to the next. Deposits into the refund reserve reduce the level of reported personal income tax receipts.

(Amounts in millions)

GENERAL

	September 2001	Modifications	February 2002
Receipts:			
Taxes	\$ 38,232	\$ (697)	\$ 37,535
Miscellaneous	1,499	110	1,609
Total receipts	39,731	(587)	39,144
Disbursements:			
Local assistance grants	28,453	(413)	28,040
Departmental operations	7,808	38	7,846
General state charges	2,659	4	2,663
Total disbursements	38,920	(371)	38,549
Other financing sources (uses):			
Transfers from other funds	2,098	59	2,157
Transfers to other funds	(3,073)	167	(2,906)
Net other financing sources (uses)	(975)	226	(749)
Receipts and other financing sources over (under) disbursements and other financing uses	\$ (164)	\$ 10	\$ (154)

SPECIAL REVENUE	September 2001	Modifications	February 2002
Receipts:			
Taxes	\$ 2,919	\$ (104)	\$ 2,815
Miscellaneous	6,942	237	7,179
Federal grants	24,797	2,225	27,022
Total receipts	34,658	2,358	37,016
Disbursements:			
Local assistance grants	29,227	2,444	31,671
Departmental operations	6,599	91	6,690
General state charges	462	4	466
Capital projects	6	(4)	2
Total disbursements	36,294	2,535	38,829
Other financing sources (uses):			
Transfers from other funds	2,511	97	2,608
Transfers to other funds	(2,064)	(9)	(2,073)
Net other financing sources (uses)	447	88	535
Receipts and other financing sources over (under) disbursements and other financing uses	\$ (1,189)	\$ (89)	\$ (1,278)
DEBT SERVICE			
Receipts:			
Taxes	\$ 2,666	\$ —	\$ 2,666
Miscellaneous	614	(8)	606
Total receipts	3,280	(8)	3,272
Disbursements:			
Departmental operations	7	(1)	6
Debt service	3,913	272	4,185
Total disbursements	3,920	271	4,191
Other financing sources (uses):			
Transfers from other funds	4,995	(196)	4,799
Transfers to other funds	(4,124)	(21)	(4,145)
Use of Debt Reduction Reserve Fund	(500)	500	—
Net other financing sources (uses)	371	283	654
Receipts and other financing sources over (under) disbursements and other financing uses	\$ (269)	\$ 4	\$ (265)
CAPITAL PROJECTS			
Receipts:			
Taxes	\$ 1,549	\$ 5	\$ 1,554
Miscellaneous	1,768	(37)	1,731
Federal grants	1,451	20	1,471
Total receipts	4,768	(12)	4,756
Disbursements:			
Local assistance grants	967	(111)	856
Capital projects	3,949	(251)	3,698
Total disbursements	4,916	(362)	4,554
Other financing sources (uses):			
Transfers from other funds	595	(341)	254
Transfers to other funds	(778)	9	(769)
Bond and note proceeds, net	237	—	237
Net other financing sources (uses)	54	(332)	(278)
Receipts and other financing sources over (under) disbursements and other financing uses	\$ (94)	\$ 18	\$ (76)

The modifications indicated above generally reflect revisions to projections based on actual receipts and disbursements for interim periods. The modifications made to General Fund taxes reflect the decrease in growth of personal income and wages and the effect on the State's economy resulting from the World Trade Center terrorist attack. The modification to Federal

and local assistance grants in the Special Revenue Funds reflects increases in federal reimbursement for Medicaid and various public welfare programs. Exhibit C provides a comparison of the estimated data in the February 2002 Financial Plan with the actual results on the cash basis of accounting, whereas Exhibit B presents operating results in conformity with GAAP.

The following presents a reconciliation of the budgetary cash basis operating results per Exhibit C with

the GAAP-based operating results per Exhibit B (amounts in thousands):

	General	Special Revenue	Debt Service	Capital Projects
Deficiency of receipts and other financing sources over (under) disbursements and other financing uses per Exhibit C	\$ (77,900)	\$ (1,151,800)	\$ (252,900)	\$ (178,500)
Entity differences:				
Receipts and other financing sources over (under) disbursements and other financing uses for funds and accounts not included in the cash basis financial plan	(2,160,361)	265,829	310,599	103,261
Perspective differences:				
Receipts and other financing sources over disbursements and other financing uses for funds treated as Special Revenue				
Funds in the financial plan and part of the General Fund for GAAP reporting	78,981	(78,981)	—	—
College and University Funds	—	(25,249)	500	(7,544)
Temporary interfund cash loans	(106,757)	20,330	—	86,427
Basis of accounting differences:				
Net increase (decrease) in taxes receivable	(1,120,176)	(14,742)	9,539	6,953
Net increase (decrease) in due from Federal government	—	510,582	—	(7,157)
Net increase (decrease) in other receivables and miscellaneous assets	172,642	57,982	(3,377)	28,157
Net increase (decrease) in due from other funds	181,075	(932)	8,766	30,192
Net (increase) decrease in deferred revenues	(38,186)	63,071	4,160	(3,598)
Net increase in tax refunds payable	(223,600)	(40,694)	(1,123)	(5,903)
Net increase in payable to local governments	(39,385)	(367,078)	—	(37,990)
Net increase in other payables and accrued liabilities	(66,713)	(214,637)	(103)	(13,290)
Net (increase) decrease in due to other funds	(17,464)	6,420	—	(134,655)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses per Exhibit B	\$ (3,417,844)	\$ (969,899)	\$ 76,061	\$ (133,647)

The entity differences relate to the inclusion of certain funds considered to be Proprietary Funds for purposes of the cash basis financial plan. In addition, the inclusion of the New York Local Government Assistance Corporation and related entities as well as the personal income tax refund reserve accounts, which are not included in the Governmental Funds cash basis financial plan, contribute to the entity difference.

Perspective differences relate to variations in the presentation of the cash basis financial plan fund structure versus GAAP fund structure. A perspective difference for temporary interfund loans occurs when a fund temporarily overdraws its share of the pooled investment funds. These temporary loans are covered by the General Fund's share of the pool. The establishment

of the College and University Funds creates a perspective difference because certain SUNY and CUNY operations are included in the Governmental Fund Types for purposes of the cash basis financial plan yet this activity is reported in the College and University Funds for GAAP. A perspective difference relating to the Infrastructure Trust Fund and Earmarked Revenue Accounts occurs because these funds are included in the Special Revenue Funds cash basis financial plan while the GAAP-based presentation includes them in the General Fund. Receipts relating to this perspective difference attributed to variations between cash basis and GAAP reporting totaled \$6.693 billion offset by disbursements totaling \$6.589 billion for a net decrease in cash of \$104 million.

Note 12 Commitments and Contingencies

The State receives significant financial assistance from the Federal government in the form of grants and entitlements. Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of resources for eligible purposes. Substantially all Federal grants are subject to either the Federal Single Audit Act or to financial and compliance audits by grantor agencies of the Federal government or their designees. Disallowances by Federal program officials as a result of these audits may become liabilities of the State.

The Dormitory Authority of the State of New York has \$999 million outstanding of Secured Hospital Revenue Bonds for the purpose of financing mortgage loans to various hospitals in New York City. The hospitals are committed to pay the debt service, and reserves have been established to cover deficiencies incurred by the hospitals. However, if both of these funding sources are inadequate, the State may be called upon to pay the debt service. Any such payments would require authorization by the State Legislature.

The New York State Constitution provides that the State may guarantee repayment of certain borrowings of the Job Development Authority (JDA) to carry out designated projects. The State has never been called upon to make any direct payments pursuant to such guarantees. However, in 1996 the State entered into an agreement with JDA and the New York State Urban Development Corporation (UDC) whereby UDC has provided \$11 million in current year funding needed by JDA to meet its debt service obligations. As of March 31, 2002, JDA had \$110 million of State-guaranteed bonds outstanding (with an additional \$631 million authorized but not issued).

In order to provide additional inducement to investors to purchase the obligations of certain public benefit corporations, the legislation creating these corporations authorizes the State to make up any deficiencies in their debt service reserve funds, subject to legislative appropriation (effectively, a "moral obligation" to back the corporations' credit). Such "moral obligation" does not constitute full faith and credit obligations of the State. As of March 31, 2002, approximately \$517 million in moral obligation bonds were outstanding. During the year the State was not called on to make any payments.

Health care providers have a right to appeal Medicaid reimbursement rates. Based on an analysis of appeals, a liability of \$496 million has been recognized of which \$107 million is expected to be paid within the next 12 months and is recorded in the Governmental Funds. The remainder, \$389 million, is reported in the General Long-Term Obligations Account Group and represents a decrease of \$66 million from the prior year.

In 1977-78, the State required that reserve funds held by insurance companies which underwrite the State employee health insurance programs be paid to the General Fund. The State is liable to replenish these reserve funds if needed to pay insured benefits or if

the contracts with the insurance companies are terminated. Accordingly, based on actuarial calculations, the State has recorded a liability of \$192 million. The amount is reported in the General Long-Term Obligations Account Group and represents no change from the amount reported in the prior year.

Generally, the State does not insure its buildings, contents or related risks and does not insure its State-owned automobiles for bodily injury and property damages, but the State does have fidelity insurance on State employees. A liability is estimated for unpaid automobile claims based on an analysis of property loss and claim settlement trends. Routine uninsured losses are recorded as expenditures in the General Fund as paid, while significant uninsured losses usually are the result of litigation which is discussed further in Note 13. Insured losses incurred by the State did not exceed coverage for any of the three preceding fiscal years. Litigation losses are estimated based on an assessment of pending cases conducted by the Office of the Attorney General.

Workers' compensation is provided with the State Insurance Fund acting as the State's administrator and claims processing agent. Under an agreement with the State Insurance Fund, the State pays only what is necessary to fund claims. Based on actuarial calculations, discounted at 5% as of March 31, 2002, the State is liable for unfunded claims and incurred but not reported claims totaling approximately \$1.071 billion. The portion expected to be paid in the next 12 months, \$189 million, is reported as a liability of the General Fund. The remaining amount, \$883 million, is reported in the General Long-Term Obligations Account Group and represents an increase of \$103 million from the amount reported in the prior year.

Changes in the State's liability relating to workers' compensation claims, litigation (see Note 13) and auto claims in fiscal years 2001 and 2002 were (amounts in thousands):

Fiscal Year	Claim Liability Beginning of Year	Increase in Liability Estimate	Payments and Decreases in Liability Estimate	Claim Liability End of Year
2000-2001	\$ 1,460,611	\$ 418,767	\$ 191,464	\$ 1,687,914
2001-2002	\$ 1,687,914	\$ 825,615	\$ 748,366	\$ 1,765,163

The State Abandoned Property Law requires the deposit of certain defined and unclaimed assets into a State-managed Abandoned Property Fund (Expendable Trust). The State Finance Law provides that whenever the cash balance of the Fund exceeds \$750 thousand at fiscal year-end, the excess must be remitted to the General Fund where it is reported as operating transfers from other funds. However, during the year, in accordance with the statute, the Fund has had cash balances which exceeded \$750 thousand in order to meet anticipated cash flow demands. At March 31, 2002, the Fund included \$369 million of securities not yet liquidated and funds restricted by Federal requirements

which were not subject to transfer to the General Fund. The amounts remitted during the year approximated \$407 million. Net collections from inception (1942) to March 31, 2002 of approximately \$5 billion, excluding interest, represent a contingent liability to the State since claims for refund may be filed by the owners of such property.

A liability and a corresponding reduction of revenue representing the probable amount of escheat property which will be reclaimed and paid to claimants is reported in the Abandoned Property Fund (Fund). To the extent that assets in the Fund are less than the claimant liability, a receivable (due from other funds)

is reported in that Fund and an equal liability (due to other funds) is reported in the General Fund. At March 31, 2002, the amount reported in the Fund for claimant liability is \$501 million and the amount reported in the General Fund as due to the Fund is \$69 million. Since receipts in the Fund are expected to be adequate to pay current claims, it is not expected that General Fund support for that purpose will be required. Claims paid from the Fund during the year totaled \$52 million.

Since fiscal year 1982-83, amounts have been transferred to the General Fund and the Capital Projects Fund from the State Insurance Fund and from several nongovernmental funds. The legislation authorizing the transfers requires the Legislature to enact annual appropriations from the General Fund to cover the State's contingent liability to repay these transfers. Payments from these appropriations will be made only if the affected funds become insolvent and have no other monies available to meet their statutory obligations. To date, no payments from these appropriations have been required. As of March 31, 2002, the appropriation was \$1.7 billion. However, due to the State Insurance Fund's accumulated deficit, exclusive of the

contingent receivable from the State, it has been determined that a liability may exist. As a result, a liability of \$90 million has been reported in the General Long-Term Obligations Account Group and represents a decrease of \$197 million from the prior year. A related receivable is reflected in the accounts of the State Insurance Fund (see Note 15).

The State is liable for costs relating to the closure and post-closure of landfills totaling \$14 million. The current portion of the liability, \$5 million, is expected to be paid in the next 12 months and is recorded in the Capital Projects Funds. The remaining \$9 million is recorded in the General Long-Term Obligations Account Group. Closure and post-closure requirements are generally governed by Title 6, Part 360 of the New York Code of Rules and Regulations. Since most landfills are inactive, the liability reflects the total estimated closure and post-closure cost at year-end. Liability estimates are based on engineering studies or on estimates by agency officials that are updated annually. Additionally, there are numerous toxic waste sites throughout the State for which the State's liability for future clean up costs cannot be determined.

Note 13 Litigation

The State is a defendant in numerous legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings and other alleged violations of State and Federal laws.

Included in the State's outstanding litigation are a number of cases challenging the legality or the adequacy of a variety of significant social welfare programs primarily involving the State's Medicaid and mental health programs. Adverse judgments in these matters generally could result in injunctive relief coupled with prospective changes in patient care that could require substantial increased financing of the litigated programs in the future. Because of the prospective nature of these matters, no provision for this potential exposure has been made in the accompanying general purpose financial statements.

Actions commenced by several Indian nations which include the St. Regis Mohawk Indian Nation, the Oneida Indian Nation, and the Cayuga Indian

Nation, claim that significant amounts of land were unconstitutionally taken from the Indians in violation of various treaties and agreements during the eighteenth and nineteenth centuries. The claimants seek recovery of thousands of acres of land as well as compensatory and punitive damages.

In addition, the State is party to other claims and litigation that its legal counsel has advised are not probable of adverse court decisions. Although the amounts of potential losses, if any, are not presently determinable, it is the State's opinion that its ultimate liability in these cases is not expected to have a material adverse effect on the State's financial position.

With respect to pending and threatened litigation, the State has reported liabilities of \$693 million for awarded and anticipated unfavorable judgments. The portion of the liability expected to be paid within the next 12 months, \$91 million, is reported in the General Fund. The remainder, \$602 million, is reported in the General Long-Term Obligations Account Group and represents an increase of \$114 million from the prior year.

Note 14 State and Local Retirement Systems

There are three systems within the State and Local Retirement Systems for employees of the State and its localities (except employees of New York City and teachers, essentially all of whom are covered by separate pension plans). The systems, known and reported collectively as the New York State and Local Retirement Systems (System), are the New York State and Local

Employees' Retirement Systems (ERS), the New York State and Local Police and Fire Retirement Systems (PFRS), and the Public Employees' Group Life Insurance Plan (GLIP). GLIP provides death benefits in the form of life insurance. In these statements, GLIP amounts are apportioned and included in either ERS or PFRS.

The State Comptroller is sole trustee and administrative head of the System. The System is a cost sharing multiple-employer public employee retirement system. On March 31, 2002, there were 2,922 participating government employers. Employees of the State constituted about 37% of the members of the System during the 2001-2002 fiscal year.

The System provides retirement benefits as well as death and disability benefits. Benefits vest after five years of credited service. Retirement benefits are established by the New York State Retirement and Social Security Law and are dependent upon the point in time at which the employees last joined the System. Contributory and noncontributory requirements also depend upon the point in time at which an employee last joined the System. Most members of ERS who joined the System on or before July 26, 1976 are enrolled in a noncontributory plan. Most members of PFRS are not required to make employee contributions. Employees who last joined ERS subsequent to July 26, 1976 are enrolled in a contributory plan which requires a 3% contribution of their salary. As a result of Article 19, of the Retirement and Social Security Law, eligible Tier 3 and Tier 4 employees, with a membership date after July 26, 1976, who have ten or more years of membership or credited service with a System, are not required to contribute. Less than 1% of other members are contributory. Members cannot be required to begin making contributions or make increased contributions beyond what was required when membership began. Generally, members of the System may retire at age 55; however, members of Tiers 2, 3 and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. An employee with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions.

The System's financial statements are prepared using the accrual basis of accounting. Revenue is recognized when earned and liabilities are recognized when incurred. Employer contributions are recognized when billed. Investments are reported at fair value. Stocks traded on a national or international exchange are valued at market value at current exchange rates. Bonds are valued from independent pricing services at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals made every three years. Investments that do not have an established market are reported at estimated fair value. The System trades in foreign exchange contracts in the normal course of its investing activities in order to manage exposure to market risks. Such contracts, which are generally for a period of less than one year, are used to purchase and sell foreign currency at a guaranteed future price. These contracts are recorded at market value using foreign currency forward exchange rates.

Investments are held by the System or its custodial agent in the name of the State Comptroller as trustee. Investments of the System are categorized by the level of custodial credit risk (the risk that a counter party to an investment transaction will not fulfill its obligations). All investments of the System are designated as Category 1, the lowest risk, which includes investments that are insured or registered or for which the securities are held by the System or its agent, in the System's name.

Section 177-D of the Retirement and Social Security Law authorizes the System to enter into security loan agreements with broker/dealers and New York State or national banks. The System has designated its master custodian bank to manage a securities lending program. This program is subject to a written contract between the System and the Custodian who acts as Security Lending Agent for the System. The Custodian is authorized to lend securities within the borrower limits and guidelines established by the System. Types of collateral received from borrowers for securities loaned are cash and government securities. The Custodian is authorized to invest the cash collateral in short-term investments that meet the same criteria used by the System, including: bankers' acceptances, domestic commercial paper, obligations of federal agencies and repurchase agreements. The System has no right to the government securities pledged unless there is a default by the borrowers. The System has not experienced any losses resulting from the default of a borrower or lending agent during fiscal 2001-2002 or in the history of the program.

The System lends domestic fixed income, domestic equity, and international equity securities to brokers/dealers approved by the System. Collateral for securities loaned equals 102% of fair market value for domestic securities and 105% for international securities. Investment guidelines provided to the Custodian by the System minimize the risk that the cash collateral could be invested in securities which may default. The Custodian acknowledges responsibility to reimburse the System for losses that might arise from managing the program in a manner inconsistent with the contract. The System manages its credit risk by recording investments at market value daily and maintaining the value of the collateral held by the System in excess of the value of the securities loaned. At March 31, 2002, the System had no credit risk resulting from securities lending transactions.

All security loans can be terminated on demand by either the System or borrower. The average term of the open security loans is one day while the overall average term to maturity of invested collateral for the System's open loans is 27 days. To provide sufficient liquidity, the policy of the System is to maintain a minimum of 10% of collateral in overnight investments.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the New York State and Local Retirement Systems, Office of the State Comptroller, 110 State Street, Albany, New York, 12244.

FUNDING STATUS

Participating employers are required under the New York State Retirement and Social Security Law to contribute annually to the System.

The funding of the System is accomplished through member and employer contributions and the investment earnings on these contributions, according to the New York State Retirement and Social Security Law. The aggregate actuarial funding method is used by the System. Generally, participating employers that have adopted the same benefit plans contribute at the same rate of payroll. The total employer contribution rate as a percentage of salary includes rates for administrative expenses, GLIP, and supplemental benefits. GLIP is a one-year term insurance plan. Consequently, the GLIP rates are determined so as to pay for the current year's GLIP costs. Similarly, the administrative rates are determined so as to pay the current year's administrative expenses. Employers may make other contributions due to legislation, such as retirement incentives, the 17-year amortization, and deficiency payments (which an employer may incur when joining the System and are payable for up to 25 years).

Incentive program costs receivable from New York State as of March 31, 2002 totaled \$75.4 million. Annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year.

For fiscal year ended March 31, 2002, the rate was 8%. Interest on amounts amortized over a fixed number of years remains at the fixed rate in effect at the time the payment schedule was established. The State's contribution to the System for years ended March 31, 2002, 2001, and 2000 were \$92 million, \$96 million, and \$103 million, respectively, which equaled 92%, 100%, and 100% of the required contributions for each respective year.

As a result of the enactment of Chapter 62, Laws of 1989, employer contributions due from participating employers other than the State for the fiscal years ended March 31, 1989 and 1988, are to be amortized over 17 years, with the initial payment paid December 15, 1989. The net balance of the deferred contributions is approximately \$20 million. In addition, the receivable for the incentive program is \$121 million and \$3 million for the Section 803 costs. Annual bills for employer contributions accrue interest at the actuarial rate applicable during the year. For fiscal year ended March 31, 2002, the rate was 8%. Interest on amounts amortized over a fixed number of years remains at the fixed rate in effect at the time the payment schedule was established.

The following presentation displays the Statement of Plan Net Assets for the System as of March 31, 2002 (amounts in thousands):

STATEMENT OF PLAN NET ASSETS

March 31, 2002

(Amounts in thousands)

	Employees' Retirement System	Police & Fire Retirement System	Total
Assets:			
Investments:			
Short-term investments	\$ 1,208,130	\$ 220,830	\$ 1,428,960
Government bonds	18,565,829	3,393,592	21,959,421
Corporate bonds	8,352,989	1,526,817	9,879,806
Domestic stocks	46,013,748	8,410,713	54,424,461
International stocks	10,104,159	1,846,908	11,951,067
Alternative investments	4,717,247	862,251	5,579,498
Real property owned	3,649,527	667,086	4,316,613
Mortgage loans	1,376,977	251,693	1,628,670
Total investments	93,988,606	17,179,890	111,168,496
Securities lending collateral, invested	6,526,184	1,192,901	7,719,085
Forward foreign exchange contracts	323,619	59,153	382,772
Receivables	1,874,879	195,797	2,070,676
Other assets	34,784	6,358	41,142
Total assets	102,748,072	18,634,099	121,382,171
Liabilities:			
Securities lending collateral, due to borrowers	6,526,184	1,192,901	7,719,085
Forward foreign exchange contracts	322,073	58,871	380,944
Investment purchases	167,751	30,663	198,414
Benefits payable	84,733	16,619	101,352
Other liabilities	227,205	30,278	257,483
Total liabilities	7,327,946	1,329,332	8,657,278
Net assets held in trust for pension benefits	\$ 95,420,126	\$ 17,304,767	\$ 112,724,893

EMPLOYER ACCOUNTING

The pension contribution expenditure reported in the Governmental Funds includes \$99 million relating to employee services rendered during the year and retirement incentives. Pension contributions payable reported in the General Fund includes \$29 million for

the retirement incentive programs. In addition, \$46 million of the retirement incentive programs are reported in the General Long-Term Obligations Account Group. Liabilities reported in the General Long-Term Obligations Account Group for the retirement incentive programs decreased by \$29 million.

Note 15 Component Units—Public Benefit Corporations

Component Units—Public Benefit Corporations (Corporations) (as defined in Note 1) are legally separate entities that are not operating departments of the State. The Corporations are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Corporations are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations are generally supported by revenues derived from their activities, although the State has provided financial assistance, in some cases of a recurring nature, to certain corporations for operating and other expenses. Financial assistance in the form of appropriated loans, contributed capital or operating subsidies for certain corporations, principally the Roswell Park Cancer Institute, the Metropolitan Transportation Authority, and the Urban Development Corporation was provided in the fiscal year ended March 31, 2002 and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of public benefit corporations.

The amounts presented in the accompanying general purpose financial statements for the Corporations include the following entities for the fiscal years indicated:

<u>Entity</u>	<u>Fiscal Year-End</u>
Aggregate Trust Fund	December 31, 2001
Agriculture and New York State Horse Breeding Development Fund Corporation	December 31, 2001
Battery Park City Authority	October 31, 2001
Capital District Transportation Authority	March 31, 2002
Central New York Regional Transportation Authority	March 31, 2002
Dormitory Authority of the State of New York	March 31, 2002
Health Research, Inc.	March 31, 2002
Homeless Housing and Assistance Corporation	March 31, 2002
Housing Trust Fund Corporation	March 31, 2002
Hudson River-Black River Regulating District	June 30, 2001
Industrial Exhibit Authority	March 31, 2002

<u>Entity</u>	<u>Fiscal Year-End</u>
Long Island Power Authority	December 31, 2001
Metropolitan Transportation Authority	December 31, 2001
MTA Excess Loss Trust Fund	December 31, 2001
Manhattan and Bronx Surface Transit Operating Authority	December 31, 2001
Metro-North Commuter Railroad Company	December 31, 2001
Metropolitan Suburban Bus Authority	December 31, 2001
New York City Transit Authority	December 31, 2001
Staten Island Rapid Transit Operating Authority	December 31, 2001
The Long Island Rail Road Company	December 31, 2001
Triborough Bridge and Tunnel Authority	December 31, 2001
Municipal Bond Bank Agency	October 31, 2001
Natural Heritage Trust	March 31, 2002
Nelson A. Rockefeller Empire State Plaza Performing Arts Center	March 31, 2002
New York City Convention Center Operating Corporation	March 31, 2002
New York State Affordable Housing Corporation	March 31, 2002
New York State Bridge Authority	December 31, 2001
New York State Energy Research and Development Authority	March 31, 2002
New York State Environmental Facilities Corporation	March 31, 2002
New York State Higher Education Services Corporation	March 31, 2001
New York State Housing Finance Agency ..	October 31, 2001
New York State Job Development Authority	March 31, 2002
New York State Olympic Regional Development Authority	March 31, 2002
New York State Project Finance Agency	October 31, 2001
New York State Theatre Institute	March 31, 2002
New York State Thoroughbred Breeding and Development Fund Corporation	December 31, 2001
New York State Thoroughbred Racing Capital Investment Fund	December 31, 2000
New York State Thruway Authority	December 31, 2001
Niagara Frontier Transportation Authority ..	March 31, 2002
Ogdensburg Bridge and Port Authority	March 31, 2002
Port of Oswego Authority	March 31, 2002
Power Authority of the State of New York ..	December 31, 2001
Research Foundation for Mental Hygiene, Inc.	March 31, 2002
Rochester-Genesee Regional Transportation Authority	March 31, 2002
Roosevelt Island Operating Corporation	March 31, 2002
Roswell Park Cancer Institute	March 31, 2002
State Insurance Fund	December 31, 2001
State of New York Mortgage Agency	October 31, 2001
Urban Development Corporation	March 31, 2002

Financial Information

Substantially all of the financial data was derived from audited annual financial statements and summarized into the accompanying format. The Corporations follow the accrual basis of accounting. A few of the individual component units, primarily, the State Insurance Fund, do not fully conform to the accrual basis; however, the impact of these variances is not material to the Corporations in total. Nine of the forty-two entities presented comprise 92% of the combined assets and 92% of the combined operating revenues (before eliminations). The amounts reported as retained earnings and cash at the beginning of the year in Exhibits D and E, respectively, have been restated to reflect the abolishment of the New York State Science and Technology Foundation. The remaining portion of this note contains a brief description of the operations of the nine largest entities followed by a presentation of their accounts (amounts in thousands). Additional information about each of the Corporations can be obtained by contacting the Corporations directly and requesting a copy of their annual financial reports.

Certain Corporations issue Revenue Bonds for independent third-party entities to provide funding for the projects of those third-parties. These bonds which are considered conduit debt are secured by payments made by the third-party entities and in some cases certain other pledged funds. These bonds do not constitute a debt or pledge of the faith and credit of the Corporations or the State. The Dormitory Authority, the Environmental Facilities Corporation (EFC) and the Energy Research and Development Authority (ERDA) have issued conduit debt and have elected different, but permissible, methods of accounting for it under GAAP. The Dormitory Authority has elected to report conduit debt and related assets on its balance sheet. At March 31, 2002 the liability for such debt, the related assets and equity totaled \$17.2 billion, \$17.7 billion, and \$532 million, respectively. At March 31, 2002 EFC's balance sheet did not include \$293 million in bonds it issued for certain private companies. ERDA has issued conduit debt for participating gas and electric companies and other third party entities, the principal of which totaled approximately \$3.9 billion at March 31, 2002, which is not included on ERDA's balance sheet.

Power Authority

The Power Authority of the State of New York (Authority) was created in 1931 to help provide a continuous adequate supply of dependable electric power and energy to the people of the State. The Authority generates, transmits, and sells electric power and energy principally at wholesale to various customers including private and municipal utilities.

Two of the Authority's largest facilities are the Niagara Power Project at Lewiston and the St. Lawrence-Franklin D. Roosevelt Power Project at Massena. These hydroelectric facilities produced net power generation

during calendar year 2001 of 12 billion kilowatt-hours and 6 billion kilowatt-hours, respectively.

The Authority completed the sale of its two nuclear facilities to Entergy Corporation on November 21, 2000 (the closing date). The Authority has retained limited contractual decommissioning responsibility for each plant. The Authority has also retained the liability to reimburse Entergy Corporation for the disposal of spent fuel generated prior to April 7, 1983. In connection with this sale, the Authority entered into an agreement to purchase capacity and energy from the nuclear plants from Entergy at prices approximating estimated future market prices for the period from closing through 2004.

Thruway Authority

The New York State Thruway Authority (Authority) was created as a public benefit corporation by the Legislature in 1950 with powers to construct, operate and maintain a Thruway system. The Authority has also been authorized by the Legislature to act as a financing agent for issuing Emergency Highway Reconditioning and Preservation (EHR) Bonds and Emergency Highway Construction and Reconstruction (EHC) Bonds to finance improvements to State highways. In 1991, the Legislature empowered the Authority to issue Local Highway and Bridge Service Contract (LHB) Bonds to provide funds to municipalities throughout the State for qualifying capital expenditures under State programs. The Authority has also issued Cross Westchester Expressway Special Obligation Bonds to fund the Authority's March 1991 purchase of Interstate 287 from the State. In August 1992, the State Legislature created the New York State Canal Corporation (NYSCC) as a subsidiary corporation of the Authority to accept jurisdiction and control over the State Canal System from the State. In 1993, the Legislature authorized the Authority to issue Highway and Bridge Trust Fund Bonds (HBTF) to reimburse the State for expenditures made by the State's Department of Transportation in connection with the State's multi-year Highway and Bridge Capital Program.

The financial position of and activities relating to the special bond programs (EHR, EHC, LHB, and HBTF) is reported within the funds of the State rather than under the Public Benefit Corporations because these special bond programs are not separate legal entities. Columns headed "Thruway Authority" reflect the operations of the Thruway system and the NYSCC.

Metropolitan Transportation Authority

The Metropolitan Transportation Authority (MTA) was created to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York metropolitan area. The accounts presented as the MTA are the combined accounts of the nine subsidiaries. The MTA operates the largest transit and commuter rail

transportation system in North America and one of the largest in the world. The MTA is dependent upon the State for a portion of its revenues. During the fiscal year ended March 31, 2002, the State provided \$1.6 billion to the MTA, \$1.1 billion of which was from the State's Mass Transportation Operating Assistance Fund, a Special Revenue Fund, that derives a major portion of its receipts from taxes imposed in the Metropolitan Transportation District for this purpose. These funds have been reported as Transfers to Component Units in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Exhibit B). The State also provides funding to pay the debt service on approximately \$2 billion in bonds issued by MTA for its capital projects. The MTA is currently in the fifth of a series of capital improvement programs undertaken since 1982. The current program, the 2000-2004 Capital Program, involves the refunding and restructuring of all MTA debt, including \$2 billion in State-supported MTA service contracts (see Note 9). Capital assets acquired prior to April 1982 for the New York City Transit Authority (NYCTA) were funded primarily by New York City through capital grants. New York City has title to a substantial portion of such assets and they are not included among the assets reported under MTA. In certain instances, title to real property used by the Triborough Bridge and Tunnel Authority (TBTA) may revert to New York City in the event TBTA determines it is not needed for corporate purposes.

The September 11, 2001 terrorist attack on the World Trade Center in New York resulted in significant physical and structural damage to certain NYCTA lines and related facilities and stations, temporary closure of TBTA bridges and tunnels, safety and security expenditures in and around the World Trade Center, and temporary closure of Grand Central Terminal and Pennsylvania Station. The Authority has submitted claims to its re-insurance providers for reimbursement for expenditures incurred, for physical and structural damages and for loss of revenues due to business interruption.

Dormitory Authority

The Dormitory Authority (Authority) is a public benefit corporation established in 1944. The Authority's purpose is to finance, design, construct, purchase, reconstruct and/or rehabilitate buildings (projects) for use by educational and other not-for-profit institutions (institutions) located within the State, certain State agencies, local school districts, and cities and counties with respect to court facilities. The Authority is also authorized to make, finance, and purchase loans related to students enrolled at participating institutions of higher education in the State and finance the purchase and leasing of equipment and various short-term capital projects.

The Authority's outstanding bonds and notes of \$29.7 billion consist mainly of debt issued for health care facilities (\$9.5 billion), independent institutions

(\$5.0 billion), State University projects (\$5.2 billion), City University projects (\$3.6 billion) and New York State Agency projects (\$4.6 billion). The remaining debt was issued for projects for municipal facilities.

Long Island Power Authority

The Long Island Power Authority (Authority) was established as a corporate municipal instrumentality of the State. On May 28, 1998, the LIPA Acquisition Corporation, a wholly-owned subsidiary of the Authority, was merged with and into the Long Island Lighting Company (LILCO) pursuant to an Agreement and Plan of Merger dated as of June 26, 1997. The Authority and its subsidiaries conduct the electric transmission and distribution business in Nassau and Suffolk counties which covers a service area of approximately 1,230 square miles and a population of approximately 2.75 million persons.

The Authority financed the cost of the merger and the refinancing of certain of the LILCO's outstanding debt by the issuance of \$6.73 billion aggregate principal amount of Electric System General Revenue Bonds and Electric System Subordinated Revenue Bonds. In addition, the Authority assumed \$1.19 billion of LILCO's General and Refunding Bonds which were defeased immediately upon the closing of the merger. The excess of the acquisition costs over the fair value of net assets acquired (\$3.5 billion) has been reported as an "other asset", which is being amortized over a 35-year period.

Urban Development Corporation

The New York State Urban Development Corporation (UDC) was established by legislative act in 1968 as a corporate governmental agency of the State. UDC now conducts business as the Empire State Development Corporation. UDC is engaged in three principal activities: special projects financed by revenue bonds, economic development projects and real estate projects financed by general and corporate purpose bonds. A brief description of these activities follows:

UDC issues special project revenue bonds, the proceeds of which are primarily used to construct correctional facilities for the State, to refinance State office facilities or to construct technology facilities for universities located within the State, to finance construction and rehabilitation of youth facilities, and to construct or improve various sports facilities. Under the related agreements, UDC is reimbursed by the State in amounts sufficient to amortize the debt service on the bonds.

UDC's efforts in economic development projects are funded by State appropriations and are primarily directed at several activities involving civic, commercial, high technology and industrial development within the State. UDC also provides financial assistance, including low cost project financing in the form of loans, loan guarantees and interest subsidy grants; planning and feasibility studies; and technical assistance in management, financing and design of a project.

Real estate projects financed by general and corporate purpose bonds are primarily in large-scale development of housing for low, moderate and middle income persons and families, financing nonresidential, commercial, civic and industrial properties and in development of new communities. Since the mid-1970's UDC activity in this area has been limited to the monitoring and loan servicing of existing projects.

State Insurance Fund

The State Insurance Fund (Fund) is comprised of the Workers' Compensation Fund and the Disability Benefits Fund and is primarily engaged in providing workers' compensation and disability benefit insurance for employers in the State of New York.

During previous fiscal years, the Fund transferred approximately \$1.3 billion to the State's General and Capital Projects Funds. The statutes authorizing these transfers required that the State appropriate amounts annually for the potential repayment of the transfers. Such repayment is required only to maintain the solvency, as defined, of the Workers' Compensation Fund. If the entire receivable and equity related to these transfers were eliminated from the State Insurance Fund's financial statements, a deficit of approximately \$90 million would have resulted. Since the State's Governmental Funds are responsible for the Fund's solvency, the receivable and equity have been eliminated only to the extent that fund equity is reduced to zero and a liability of \$90 million has been recorded in the State's General Long-Term Obligations Account Group (see Note 12).

State of New York Mortgage Agency

The State of New York Mortgage Agency (Agency) makes mortgages available to first-time home buyers through its Forward Commitment Home Ownership Programs and provides mortgage insurance for qualifying real property loans through its Mortgage Insurance Program. To accomplish this purpose, the Agency issues tax-exempt mortgage revenue bonds for direct issuance of forward commitments for new mortgage loans through participating financial institutions.

By statute, all costs of providing mortgage insurance are recovered from a state mortgage recording tax surcharge, which is a dedicated tax revenue stream received directly by the Agency.

The Agency provides certain financial guarantees that are not fully recognized in its financial statements. As of October 31, 2001, the Agency had issued guarantees of approximately \$1.7 billion, of which 20% has

been provided as part of the fund balance, for potential claims. When an insured mortgage is in default, the insured amount is established as a liability reserve.

Environmental Facilities Corporation

The New York State Environmental Facilities Corporation (EFC) is a public benefit corporation, formed pursuant to the New York Environmental Facilities Corporation Act, that promotes environmental quality by providing low-cost capital and expert technical assistance to municipalities, state agencies and businesses for environmental projects throughout New York State. Its purpose is to help public and private entities comply with federal and state environmental requirements. EFC is governed by a board of directors which consists of seven members.

The services offered by EFC include providing low-cost capital for both water quality protection and water supply projects through the Clean Water and Drinking Water State Revolving Funds; assisting municipalities, businesses, and State agencies to understand and comply with environmental laws and regulations through the Technical Advisory Services Program including protecting the New York City Watershed and helping small businesses comply with air pollution standards; and providing low-cost capital and other financial assistance to New York businesses for environmental protection projects through the Industrial Finance and Financial Assistance to Business programs.

Eliminations

Eliminations are made primarily to avoid duplicate reporting. As explained in Note 9, the State services a significant portion of the bonds and notes payable of certain Corporations. Since this liability is reported in the General Long-Term Obligations Account Group and the College and University Funds, an equivalent amount (\$20.4 billion) of bonds payable and related assets is eliminated as is the applicable financing income and interest expense of \$1.1 billion, and operating transfers from the primary government and interest expenses of \$101 million. Another elimination (\$60 million) is to delete a receivable and payable between the Urban Development Corporation and the Project Finance Agency.

Changes in Contributed Capital

Changes in reported contributed capital for Public Benefit Corporations were as follows: (amounts in thousands):

	Metropolitan Transportation Authority	Environmental Facilities Corporation	Others	Total Public Benefit Corporations
Contributed capital, April 1, 2001, as restated	\$ 12,053,139	\$ 2,420,063	\$ 800,674	\$ 15,273,876
Depreciation charged to fixed assets acquired with contributed capital	—	—	(37,970)	(37,970)
Contributed capital, March 31, 2002	\$ 12,053,139	\$ 2,420,063	\$ 762,704	\$ 15,235,906

The following presentation displays the Balance Sheet and Statement of Revenues, Expenses and Changes in Retained Earnings (amounts in thousands):

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Long Island Power Authority	Urban Development Corporation
ASSETS:						
Cash and investments	\$ 1,270,690	\$ 252,484	\$ 6,184,230	\$ 7,591,217	\$ 688,369	\$ 1,049,146
Receivables, net of allowances for uncollectibles:						
Loans and leases	—	—	—	23,531,382	—	4,772,726
Other	711,608	42,963	2,544,857	810,414	198,277	30,968
Fixed assets, net of depreciation	2,807,015	3,523,307	26,645,958	24,217	2,299,389	31,601
Other assets	469,454	15,504	2,040,063	—	4,892,011	65,550
Total assets	\$ 5,258,767	\$ 3,834,258	\$ 37,415,108	\$ 31,957,230	\$ 8,078,046	\$ 5,949,991
LIABILITIES:						
Accrued liabilities	\$ 351,704	\$ 118,128	\$ 1,718,414	\$ 1,343,189	\$ 366,643	\$ 335,553
Pension contributions payable	—	—	81,883	—	—	—
Accounts payable	—	—	520,510	—	—	—
Deferred revenues	156,667	20,527	235,632	34,103	—	11,479
Notes payable	643,806	—	300,000	—	—	60,104
Bonds payable	1,638,038	1,427,003	15,292,534	29,696,018	7,642,215	4,893,791
Other long-term liabilities	868,728	—	2,764,308	—	98,467	482,148
Total liabilities	3,658,943	1,565,658	20,913,281	31,073,310	8,107,325	5,783,075
EQUITY (DEFICIT):						
Contributed capital	—	—	12,053,139	—	—	—
Retained earnings	1,599,824	2,268,600	4,448,688	883,920	(29,279)	166,916
Total equity (deficit)	1,599,824	2,268,600	16,501,827	883,920	(29,279)	166,916
Total liabilities and equity (deficit)	\$ 5,258,767	\$ 3,834,258	\$ 37,415,108	\$ 31,957,230	\$ 8,078,046	\$ 5,949,991
OPERATING REVENUES:						
Charges for services	\$ 2,016,021	\$ 411,792	\$ 3,901,876	\$ 75,778	\$ 2,367,900	\$ —
Financing income	—	—	—	1,439,214	—	65,057
Investment earnings	—	—	—	117,251	—	41,391
Miscellaneous	2,787	24,938	149,696	167,289	—	7,437
Total operating revenues	2,018,808	436,730	4,051,572	1,799,532	2,367,900	113,885
OPERATING EXPENSES:						
Operations	1,855,425	266,804	5,649,768	285,593	1,995,580	268,003
Depreciation and amortization	135,690	—	1,067,752	2,133	73,922	1,562
Interest	—	—	—	1,481,979	—	296,846
Total operating expenses	1,991,115	266,804	6,717,520	1,769,705	2,069,502	566,411
Operating income (loss)	27,693	169,926	(2,665,948)	29,827	298,398	(452,526)
NONOPERATING REVENUES (EXPENSES):						
Non-State subsidies and grants	—	36,069	2,353,971	—	—	29,044
Interest revenues	88,169	11,499	—	—	28,088	—
Interest expenses	(96,970)	(71,753)	(510,264)	—	(342,506)	—
Other, net	(557)	(85,876)	(154,981)	—	48,411	—
Total nonoperating revenues (expenses)	(9,358)	(110,061)	1,688,726	—	(266,007)	29,044
Income (loss) before operating transfers	18,335	59,865	(977,222)	29,827	32,391	(423,482)
Operating transfers from primary government	—	—	1,366,910	—	—	455,579
Operating transfers to primary government	—	—	—	(33,628)	—	—
Income (loss)	18,335	59,865	389,688	(3,801)	32,391	32,097
Depreciation charged to contributed capital	—	—	—	—	—	—
Increase (decrease) in retained earnings	18,335	59,865	389,688	(3,801)	32,391	32,097
Retained earnings (deficit) at beginning of year, as restated	1,581,489	2,208,735	4,059,000	887,721	(61,670)	134,819
Retained earnings (deficit) at end of year	\$ 1,599,824	\$ 2,268,600	\$ 4,448,688	\$ 883,920	\$ (29,279)	\$ 166,916

(Continued)

	State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Other Entities	Eliminations	Total Public Benefit Corporations
ASSETS:						
Cash and investments	\$ 7,578,988	\$ 1,929,972	\$ 2,780,488	\$ 2,835,175	\$ (3,237,996)	\$ 28,922,763
Receivables, net of allowances for uncollectibles:						
Loans and leases	—	3,716,398	4,662,635	4,837,300	(15,295,295)	26,225,146
Other	342,539	46,371	132,791	393,066	(1,838,145)	3,415,709
Fixed assets, net of depreciation	7,983	—	715	1,939,230	(259,463)	37,019,952
Other assets	10,049	41,244	—	101,903	(157)	7,635,621
Total assets	\$ 7,939,559	\$ 5,733,985	\$ 7,576,629	\$ 10,106,674	\$ (20,631,056)	\$ 103,219,191
LIABILITIES:						
Accrued liabilities	\$ 7,611,633	\$ 257,013	\$ 281,038	\$ 1,034,145	\$ (42,266)	\$ 13,375,194
Pension contributions payable	—	—	—	69	—	81,952
Accounts payable	—	—	—	61,110	(5,579)	576,041
Deferred revenues	327,926	—	—	336,075	(8,792)	1,113,617
Notes payable	—	—	—	61,668	(60,104)	1,005,474
Bonds payable	—	4,273,100	4,274,885	6,280,666	(20,443,061)	54,975,189
Other long-term liabilities	—	—	—	184,251	(57,500)	4,340,402
Total liabilities	7,939,559	4,530,113	4,555,923	7,957,984	(20,617,302)	75,467,869
EQUITY (DEFICIT):						
Contributed capital	—	—	2,420,063	762,704	—	15,235,906
Retained earnings	—	1,203,872	600,643	1,385,986	(13,754)	12,515,416
Total equity (deficit)	—	1,203,872	3,020,706	2,148,690	(13,754)	27,751,322
Total liabilities and equity (deficit)	\$ 7,939,559	\$ 5,733,985	\$ 7,576,629	\$ 10,106,674	\$ (20,631,056)	\$ 103,219,191
OPERATING REVENUES:						
Charges for services	\$ 1,216,498	\$ —	\$ 3,689	\$ 423,586	\$ —	\$ 10,417,140
Financing income	—	261,403	216,936	481,816	(1,052,177)	1,412,249
Investment earnings	534,602	91,212	105,729	62,485	—	952,670
Miscellaneous	36,244	67,486	1	233,474	(2,439)	686,913
Total operating revenues	1,787,344	420,101	326,355	1,201,361	(1,054,616)	13,468,972
OPERATING EXPENSES:						
Operations	1,588,068	72,106	126,832	2,041,947	(46,186)	14,103,940
Depreciation and amortization	500	4,702	69	104,776	(91)	1,391,015
Interest	—	245,927	199,441	256,840	(1,052,177)	1,428,856
Total operating expenses	1,588,568	322,735	326,342	2,403,563	(1,098,454)	16,923,811
Operating income (loss)	198,776	97,366	13	(1,202,202)	43,838	(3,454,839)
NONOPERATING REVENUES (EXPENSES):						
Non-State subsidies and grants	—	—	4,855	1,075,301	(45,578)	3,453,662
Interest revenues	—	—	—	45,596	(1,276)	172,076
Interest expenses	—	—	—	(56,603)	101,030	(977,066)
Other, net	(198,776)	81,339	371,031	(25,609)	—	34,982
Total nonoperating revenues (expenses)	(198,776)	81,339	375,886	1,038,685	54,176	2,683,654
Income (loss) before operating transfers	—	178,705	375,899	(163,517)	98,014	(771,185)
Operating transfers from primary government	—	—	25,378	343,908	(100,581)	2,091,194
Operating transfers to primary government	—	—	—	(8,048)	—	(41,676)
Income (loss)	—	178,705	401,277	172,343	(2,567)	1,278,333
Depreciation charged to contributed capital	—	—	—	817	—	817
Increase (decrease) in retained earnings	—	178,705	401,277	173,160	(2,567)	1,279,150
Retained earnings (deficit) at beginning of year, as restated	—	1,025,167	199,366	1,212,826	(11,187)	11,236,266
Retained earnings (deficit) at end of year	\$ —	\$ 1,203,872	\$ 600,643	\$ 1,385,986	\$ (13,754)	\$ 12,515,416

Note 16 Joint Ventures

A joint venture is an entity that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. The only material joint venture in which the State has a financial interest is the Port Authority of New York and New Jersey (Port Authority).

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. The Authority is authorized and directed to plan, develop and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor.

The Governor of each state appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each Governor has from time to time exercised the statutory power to veto the actions of the commissioners from their state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Port Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit. The Port Authority has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

Pursuant to an agreement between the Port Authority and the States, the Fund for Regional Development (Fund) was established in 1983 to sublease certain space, as vacated, held by the State of New York as tenant. The Port Authority and the States entered into an agreement on January 1, 1990 providing for the termination of the agreement creating the Fund. In consideration of the termination of the Fund, the Authority has agreed to make a series of payments to the States over a period of 30 years.

The liabilities of the Port Authority include \$5.9 billion of consolidated bonds and notes. Consolidated bonds and notes are equally and ratably secured by a pledge of the net revenues of all existing facilities and any additional facilities which may be financed in whole or in part through the medium of consolidated bonds and notes.

The Port Authority's Comprehensive Annual Financial Report is available from Public Affairs and Comptroller's Departments of the Port Authority of New York and New Jersey, 225 Park Avenue South, New York, NY 10003-1604, or the Port Authority website at www.panynj.gov.

With respect to the September 11, 2001 attacks, the Port Authority expensed \$1.1 billion net book value of various assets consisting primarily of buildings, infrastructure and certain ancillary equipment that together comprise the components of the World Trade Center complex destroyed as a result of the terrorist attacks. In accordance with established accounting criteria, a receivable in an amount equal to such net book value has been recognized.

Also, future minimum rentals include future rentals of approximately \$97.6 billion attributable to the World Trade Center net leases. The inclusion of this amount in future rentals is predicated upon the assumption that the net lessees will continue to meet their contractual commitments pertaining to their net leased properties.

Consolidated financial statements of the Port Authority for the fiscal year ended December 31, 2001 disclosed the following (amounts in thousands):

Financial Position	
Total assets	\$ 15,632,161
Total liabilities	(10,452,828)
Net assets	<u>\$ 5,179,333</u>
Operating Results	
Operating revenues	\$ 2,714,802
Operating expenses	(1,745,796)
Depreciation and amortization	(442,753)
Expenses related to September 11, 2001	(270,334)
Income from operations	255,919
Net passenger facilities charge revenues	113,487
Financial income (expense), net	(193,714)
Contribution in aid of construction	40,070
Net income	<u>\$ 215,762</u>
Changes in Net Assets	
Balance, January 1, 2001	\$ 4,963,571
Net income	215,762
Balance, December 31, 2001	<u>\$ 5,179,333</u>



Combining Financial Statements



General Fund

The General Fund is the most significant of the State's funds. Most tax revenues and certain miscellaneous revenues are recorded in the General Fund.

The General Fund is divided into several accounts. Expenditures in the form of aid to local governments for their general purposes (e.g., State-local revenue sharing) and to school districts and municipalities for certain specific purposes (e.g., education and social services) are made from the Local Assistance account. These payments, often based on specific legislated formulas, are nevertheless limited under the State Constitution to appropriations in force. Expenditures from the Local Assistance account normally comprise approximately 60% of General Fund expenditures.

The expenditures of operating the departments of the Executive Branch, the Legislature and the Judiciary, as well as expenditures for general state charges such as contributions to employee retirement systems, are paid primarily from the State Purposes account and normally comprise approximately 40% of the General Fund expenditures.

General Fund — Combining Schedule of Balance Sheet Accounts

March 31, 2002

(Amounts in thousands)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Contingency Reserve
ASSETS:				
Cash and investments	\$ 109,598	\$ 1,034,765	\$ 709,935	\$ 157,243
Receivables, net of allowances for uncollectibles:				
Taxes	—	5,721,571	—	—
Other	4,545	631,492	—	—
Due from other funds	29,153	1,078,237	—	—
Other assets	298,096	159,041	—	—
Total assets	\$ 441,392	\$ 8,625,106	\$ 709,935	\$ 157,243
LIABILITIES:				
Payable to local governments	\$ 1,871,373	\$ 125,075	\$ —	\$ 70,000
Tax refunds payable	—	4,428,264	—	—
Accrued liabilities	1,524,711	841,589	—	1,207
Pension contributions payable	—	37,242	—	—
Accounts payable	—	201,553	—	—
Due to other funds	11,312	255,505	—	—
Deferred revenues	2,835	649,245	—	—
Other long-term liabilities	—	127,956	—	—
Total liabilities	3,410,231	6,666,429	—	71,207
EQUITY (DEFICIT):				
Fund balances (deficits):				
Reserved for:				
Encumbrances	134,676	105,465	—	—
Tax stabilization	—	—	709,935	—
Other specified purposes	796	1,174	—	148,433
Unreserved	(3,104,311)	1,852,038	—	(62,397)
Total equity (deficits)	(2,968,839)	1,958,677	709,935	86,036
Total liabilities and equity (deficits)	\$ 441,392	\$ 8,625,106	\$ 709,935	\$ 157,243

Universal Pre- Kindergarten	Community Projects	Fringe Benefit Escrow	Earmarked Revenue	Miscellaneous	Eliminations	Totals	
						2002	2001
\$ 4,963	\$ 159,693	\$ 6	\$ 675,826	\$ 32,360	\$ —	\$ 2,884,389	\$ 5,150,426
—	—	—	—	—	—	5,721,571	6,841,747
—	155	117	67,657	5,520	—	709,486	595,952
—	2	264,978	25,677	53,432	(266,783)	1,184,696	1,003,621
—	1	—	1,234	593	—	458,965	399,857
<u>\$ 4,963</u>	<u>\$ 159,851</u>	<u>\$ 265,101</u>	<u>\$ 770,394</u>	<u>\$ 91,905</u>	<u>\$ (266,783)</u>	<u>\$ 10,959,107</u>	<u>\$ 13,991,603</u>
\$ —	\$ 6,472	\$ —	\$ 59,583	\$ —	\$ —	\$ 2,132,503	\$ 2,093,118
—	—	—	—	—	—	4,428,264	4,204,664
—	392	1	37,544	7,418	—	2,412,862	2,298,846
—	—	—	—	—	—	37,242	30,720
—	106	—	40,907	35,397	—	277,963	315,018
—	55	311	157,216	142,349	(266,783)	299,965	282,501
—	155	—	97,533	27	—	749,795	711,609
—	—	—	—	—	—	127,956	144,726
<u>—</u>	<u>7,180</u>	<u>312</u>	<u>392,783</u>	<u>185,191</u>	<u>(266,783)</u>	<u>10,466,550</u>	<u>10,081,202</u>
—	33,392	—	42,474	57,699	—	373,706	492,795
—	—	—	—	—	—	709,935	627,025
28,923	199,089	—	—	—	—	378,415	642,909
(23,960)	(79,810)	264,789	335,137	(150,985)	—	(969,499)	2,147,672
<u>4,963</u>	<u>152,671</u>	<u>264,789</u>	<u>377,611</u>	<u>(93,286)</u>	<u>—</u>	<u>492,557</u>	<u>3,910,401</u>
<u>\$ 4,963</u>	<u>\$ 159,851</u>	<u>\$ 265,101</u>	<u>\$ 770,394</u>	<u>\$ 91,905</u>	<u>\$ (266,783)</u>	<u>\$ 10,959,107</u>	<u>\$ 13,991,603</u>

General Fund — Combining Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) Accounts

Year Ended March 31, 2002

(Amounts in thousands)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Contingency Reserve
REVENUES:				
Taxes:				
Personal income	\$ —	\$ 22,616,743	\$ —	\$ —
Consumption and use	—	7,135,822	—	—
Business	—	3,412,183	—	—
Other	—	1,128,526	—	—
Miscellaneous	2,509	1,215,722	—	2,078
Total revenues	2,509	35,508,996	—	2,078
EXPENDITURES:				
Local assistance grants:				
Social services	9,311,263	—	—	—
Education	14,458,290	—	—	—
Mental hygiene	1,036,728	—	—	—
General purpose	893,041	—	—	70,000
Health and environment	715,489	—	—	—
Transportation	299,682	—	—	—
Criminal justice	186,508	—	—	—
Miscellaneous	352,908	—	—	—
Departmental operations:				
Personal service	—	4,862,560	—	—
Non-personal service	—	2,090,292	—	—
Pension contribution	—	79,487	—	—
Other fringe benefits	—	1,786,435	—	—
Debt service, including payments on financing arrangements	—	16,107	—	—
Disaster assistance—World Trade Center	9,345	23,375	—	—
Total expenditures	27,263,254	8,858,256	—	70,000
Excess (deficiency) of revenues over expenditures	(27,260,745)	26,650,740	—	(67,922)
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	27,939,729	2,596,078	82,910	5,525
Operating transfers to other funds	(914,579)	(32,294,455)	—	—
Operating transfers from public benefit corporations	—	—	—	—
Operating transfers to public benefit corporations	(218,563)	(39,749)	—	—
Proceeds from financing arrangements	205,000	—	—	—
Net other financing sources (uses)	27,011,587	(29,738,126)	82,910	5,525
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(249,158)	(3,087,386)	82,910	(62,397)
Fund balances (deficits) at April 1, 2001, as restated	(2,719,681)	5,046,063	627,025	148,433
Fund balances (deficits) at March 31, 2002	\$ (2,968,839)	\$ 1,958,677	\$ 709,935	\$ 86,036

Universal Pre- Kindergarten	Community Projects	Fringe Benefit Escrow	Earmarked Revenue	Miscellaneous	Eliminations	Totals	
						2002	2001
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 22,616,743	\$ 24,044,402
—	—	—	—	—	—	7,135,822	7,472,201
—	—	—	—	—	—	3,412,183	4,062,634
—	—	—	—	—	—	1,128,526	728,975
—	—	550,358	1,281,993	598,852	(727,051)	2,924,461	2,932,167
—	—	550,358	1,281,993	598,852	(727,051)	37,217,735	39,240,379
—	14,544	—	420,189	—	—	9,745,996	9,347,669
23,960	16,031	—	1,100	—	—	14,499,381	14,063,818
—	2,154	—	39,592	—	—	1,078,474	1,002,172
—	46	—	—	—	—	963,087	1,391,464
—	13,839	—	669,097	—	—	1,398,425	1,003,078
—	3,058	—	—	—	—	302,740	317,006
—	6,301	—	25,311	—	—	218,120	296,568
—	47,490	—	11,022	—	—	411,420	381,581
—	425	—	1,979,408	114,518	—	6,956,911	6,827,653
—	760	62,888	714,346	395,046	(536,698)	2,726,634	2,714,676
—	—	—	—	—	—	79,487	31,436
—	—	475,439	150,146	33,673	(190,353)	2,255,340	2,306,540
—	—	—	—	—	—	16,107	15,734
—	—	—	—	—	—	32,720	—
23,960	104,648	538,327	4,010,211	543,237	(727,051)	40,684,842	39,699,395
(23,960)	(104,648)	12,031	(2,728,218)	55,615	—	(3,467,107)	(459,016)
—	—	—	2,877,351	79,254	(28,287,069)	5,293,778	5,186,457
—	—	—	(90,345)	(130,611)	28,287,069	(5,142,921)	(4,899,062)
—	—	—	72,921	2,200	—	75,121	58,883
—	(13,261)	—	(96,870)	(13,272)	—	(381,715)	(291,982)
—	—	—	—	—	—	205,000	436,277
—	(13,261)	—	2,763,057	(62,429)	—	49,263	490,573
(23,960)	(117,909)	12,031	34,839	(6,814)	—	(3,417,844)	31,557
28,923	270,580	252,758	342,772	(86,472)	—	3,910,401	3,878,844
\$ 4,963	\$ 152,671	\$ 264,789	\$ 377,611	\$ (93,286)	\$ —	\$ 492,557	\$ 3,910,401



Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

School Tax Relief Fund (STAR)—to reimburse school districts for the property tax exemptions for homeowners.

Indigent Care Fund—to account for bad debt and charity pool hospital assessments that are earmarked for medical assistance.

Dedicated Mass Transportation Trust Fund—to account for monies that are earmarked for mass transportation purposes.

State Lottery Fund—to account for lottery revenues that are earmarked for education assistance to local school districts and the administrative costs of the Division of the Lottery.

Federal Funds—to account for federal grants received by the State that are earmarked for specific programs. The need to satisfy federal accounting and reporting requirements dictate that federal grants be accounted for in a number of separate funds, including the Federal USDA-Food and Nutrition Services Fund, the Federal Health and Human Services Fund, the Federal Education Fund, the Federal HHS Block Grant Fund, the Federal Operating Grants Fund, the Unemployment Insurance Administration Fund and the Federal DOL Grants Fund.

Conservation Fund—to account for hunting and fishing license fees and related fines and penalties that are dedicated to fish and wildlife programs.

Environmental Protection and Oil Spill Compensation Fund—to account for license fees and penalties that are earmarked for oil spill clean-up costs and claims for damages.

Mass Transportation Operating Assistance Fund—to account for business and consumption and use taxes that are dedicated for public mass transportation projects.

Tobacco Control and Insurance Initiatives Fund—to account for tobacco settlement funds and certain cigarette tax revenues for the purpose of funding various health care and tobacco control initiatives.

Hospital Bad Debt & Charity Care Funds—to account for assessments from health facilities earmarked for indigent care, various health projects and services.

Miscellaneous—to account for various fees, fines, user charges and other miscellaneous revenues that are earmarked for specific State programs.

Special Revenue Funds — Combining Balance Sheet

March 31, 2002

(Amounts in thousands)

	School Tax Relief	Indigent Care	Dedicated Mass Transportation Trust	State Lottery
ASSETS:				
Cash and investments	\$ —	\$ 76,928	\$ 62,867	\$ 63,669
Receivables, net of allowances for uncollectibles:				
Taxes	—	—	19,110	—
Due from Federal government	—	—	—	—
Other	—	—	—	115,927
Due from other funds	—	—	—	—
Other assets	—	—	—	8,131
Total assets	\$ —	\$ 76,928	\$ 81,977	\$ 187,727
LIABILITIES:				
Payable to local governments	\$ —	\$ —	\$ 3,010	\$ —
Tax refunds payable	—	—	3,885	—
Accrued liabilities	—	—	—	6,712
Accounts payable	—	—	2,268	38,656
Due to other funds	—	—	—	—
Deferred revenues	—	—	821	8,697
Total liabilities	—	—	9,984	54,065
EQUITY:				
Fund balances :				
Reserved for:				
Encumbrances	—	—	66,955	—
Other specified purposes	—	—	—	—
Unreserved	—	76,928	5,038	133,662
Total equity	—	76,928	71,993	133,662
Total liabilities and equity	\$ —	\$ 76,928	\$ 81,977	\$ 187,727

Federal USDA-FNS	Federal DHHS	Federal Education	Federal DHHS Block Grant	Federal Operating Grants	Conservation
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 17,471
—	—	—	—	—	—
90,940	3,645,752	43,586	124,673	514,348	—
—	—	—	—	—	4,306
84	45,770	2,738	1,149	3,134	886
13,875	475	1,221	2,929	159	622
\$ 104,899	\$ 3,691,997	\$ 47,545	\$ 128,751	\$ 517,641	\$ 23,285
\$ 83,725	\$ 1,018,231	\$ 9,579	\$ 107,438	\$ 419,088	\$ —
—	—	—	—	—	—
974	2,396,088	4,305	1,960	5,786	1,651
2,481	23,163	3,472	4,581	10,625	1,163
4,020	254,515	30,189	14,772	79,752	1,904
13,699	—	—	—	—	2,153
104,899	3,691,997	47,545	128,751	515,251	6,871
3,338	489,999	9,150	29,699	127,651	198
—	—	—	—	—	—
(3,338)	(489,999)	(9,150)	(29,699)	(125,261)	16,216
—	—	—	—	2,390	16,414
\$ 104,899	\$ 3,691,997	\$ 47,545	\$ 128,751	\$ 517,641	\$ 23,285

(Continued)

Special Revenue Funds — Combining Balance Sheet (cont'd)

March 31, 2002

(Amounts in thousands)

	Environmental Protection and Oil Spill Compensation	Mass Transportation Operating Assistance	Unemployment Insurance Administration	Federal DOL Grants
ASSETS:				
Cash and investments	\$ 3,385	\$ 183,742	\$ 23,092	\$ 2,263
Receivables, net of allowances for uncollectibles:				
Taxes	—	39,798	—	—
Due from Federal government	—	—	8,127	6,721
Other	3,292	—	—	—
Due from other funds	2,239	—	1,019	—
Other assets	—	—	866	—
Total assets	\$ 8,916	\$ 223,540	\$ 33,104	\$ 8,984
LIABILITIES:				
Payable to local governments	\$ —	\$ 11	\$ 1,132	\$ 978
Tax refunds payable	—	103,815	—	—
Accrued liabilities	565	190	11,976	—
Accounts payable	4,086	66	7,694	3,694
Due to other funds	657	2,058	9,374	4,312
Deferred revenues	1,646	302	2,928	—
Total liabilities	6,954	106,442	33,104	8,984
EQUITY:				
Fund balances :				
Reserved for:				
Encumbrances	2,127	995	36,230	43,233
Other specified purposes	—	—	—	—
Unreserved	(165)	116,103	(36,230)	(43,233)
Total equity	1,962	117,098	—	—
Total liabilities and equity	\$ 8,916	\$ 223,540	\$ 33,104	\$ 8,984

Tobacco Control and Insurance Initiatives	Hospital Bad Debt and Charity Care	Miscellaneous	Totals	
			2002	2001
\$ 559,506	\$ 1,252,515	\$ 163,687	\$ 2,409,125	\$ 3,378,996
34,828	—	—	93,736	108,478
—	—	—	4,434,147	3,923,565
502,489	262,773	22,089	910,876	857,079
—	—	3,188	60,207	61,139
—	—	597	28,875	24,690
<u>\$ 1,096,823</u>	<u>\$ 1,515,288</u>	<u>\$ 189,561</u>	<u>\$ 7,936,966</u>	<u>\$ 8,353,947</u>
\$ —	\$ —	\$ 6,535	\$ 1,649,727	\$ 1,282,649
2,553	—	—	110,253	69,559
—	596,771	12,282	3,039,260	2,847,321
—	—	6,735	108,684	85,986
—	—	29,472	431,025	437,445
108,001	28,920	6,030	173,197	236,268
<u>110,554</u>	<u>625,691</u>	<u>61,054</u>	<u>5,512,146</u>	<u>4,959,228</u>
—	—	51,517	861,092	529,800
—	—	8,500	8,500	8,500
986,269	889,597	68,490	1,555,228	2,856,419
<u>986,269</u>	<u>889,597</u>	<u>128,507</u>	<u>2,424,820</u>	<u>3,394,719</u>
<u>\$ 1,096,823</u>	<u>\$ 1,515,288</u>	<u>\$ 189,561</u>	<u>\$ 7,936,966</u>	<u>\$ 8,353,947</u>

Special Revenue Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended March 31, 2002

(Amounts in thousands)

	School Tax Relief	Indigent Care	Dedicated Mass Transportation Trust	State Lottery
REVENUES:				
Taxes:				
Personal income	\$ 1,310,074	\$ —	\$ —	\$ —
Consumption and use	—	—	90,388	—
Business	—	—	326,145	—
Federal grants	—	—	—	—
Lottery	—	—	—	4,753,618
Miscellaneous	—	4,831	1,482	105,948
Total revenues	1,310,074	4,831	418,015	4,859,566
EXPENDITURES:				
Local assistance grants:				
Social services	—	844,642	—	—
Education	2,510,074	—	—	1,561,497
Mental hygiene	—	—	—	—
Health and environment	—	—	—	—
Transportation	—	—	1,364	—
Criminal justice	—	—	—	—
Miscellaneous	—	—	451	—
Departmental operations:				
Personal service	—	—	—	15,179
Non-personal service	—	—	3,420	3,259,355
Pension contribution	—	—	—	628
Other fringe benefits	—	—	—	4,827
Disaster assistance—World Trade Center	—	—	—	—
Total expenditures	2,510,074	844,642	5,235	4,841,486
Excess (deficiency) of revenues over expenditures	(1,200,000)	(839,811)	412,780	18,080
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	—	831,284	—	—
Operating transfers to other funds	—	—	—	—
Operating transfers from public benefit corporations	—	—	—	—
Operating transfers to public benefit corporations	—	—	(399,594)	—
Net other financing sources (uses)	—	831,284	(399,594)	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	(1,200,000)	(8,527)	13,186	18,080
Fund balances at April 1, 2001	1,200,000	85,455	58,807	115,582
Fund balances at March 31, 2002	\$ —	\$ 76,928	\$ 71,993	\$ 133,662

Federal USDA-FNS	Federal DHHS	Federal Education	Federal DHHS Block Grant	Federal Operating Grants	Conservation
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
2,663,795	21,368,079	1,656,165	787,309	1,431,756	—
—	—	—	—	—	—
104,165	—	—	—	444	37,320
2,767,960	21,368,079	1,656,165	787,309	1,432,200	37,320
1,682,171	18,201,129	—	434,494	5,479	—
535,438	84,742	1,493,145	796	12,734	—
—	19,104	12,782	127,442	7,173	—
467,062	391,562	—	54,122	—	—
—	1,040	—	—	16,250	—
—	1,466	—	7	60,891	—
15,941	113,891	—	95,049	90,670	—
15,418	148,218	67,458	32,619	157,529	23,324
33,257	163,470	48,004	26,567	77,357	9,535
445	4,050	1,918	811	2,336	726
4,074	37,115	17,579	7,436	21,404	5,580
—	553	—	—	979,088	—
2,753,806	19,166,340	1,640,886	779,343	1,430,911	39,165
14,154	2,201,739	15,279	7,966	1,289	(1,845)
—	—	—	—	—	3,000
(14,154)	(2,201,739)	(15,279)	(7,966)	(1,195)	(1,671)
—	—	—	—	—	—
—	—	—	—	—	—
(14,154)	(2,201,739)	(15,279)	(7,966)	(1,195)	1,329
—	—	—	—	94	(516)
—	—	—	—	2,296	16,930
\$ —	\$ —	\$ —	\$ —	\$ 2,390	\$ 16,414

(Continued)

Special Revenue Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (cont'd)

Year Ended March 31, 2002

(Amounts in thousands)

	Environmental Protection and Oil Spill Compensation	Mass Transportation Operating Assistance	Unemployment Insurance Administration	Federal DOL Grants
REVENUES:				
Taxes:				
Personal income	\$ —	\$ —	\$ —	\$ —
Consumption and use	—	362,238	—	—
Business	—	642,554	—	—
Federal grants	—	—	332,302	269,326
Lottery	—	—	—	—
Miscellaneous	46,339	11,266	6,793	—
Total revenues	46,339	1,016,058	339,095	269,326
EXPENDITURES:				
Local assistance grants:				
Social services	—	—	—	—
Education	—	—	5,374	1,733
Mental hygiene	—	—	1,820	—
Health and environment	—	—	—	—
Transportation	—	—	—	—
Criminal justice	—	—	—	—
Miscellaneous	—	—	—	253,493
Departmental operations:				
Personal service	8,067	3,195	171,511	15
Non-personal service	19,626	707	118,602	10,328
Pension contribution	295	90	4,109	1
Other fringe benefits	2,269	691	37,652	4
Disaster assistance—World Trade Center	—	—	—	3,752
Total expenditures	30,257	4,683	339,068	269,326
Excess (deficiency) of revenues over expenditures	16,082	1,011,375	27	—
OTHER FINANCING SOURCES (USES):				
Operating transfers from other funds	—	43,943	—	—
Operating transfers to other funds	(18,546)	—	(27)	—
Operating transfers from public benefit corporations	—	—	—	—
Operating transfers to public benefit corporations	—	(1,107,298)	—	—
Net other financing sources (uses)	(18,546)	(1,063,355)	(27)	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)	(2,464)	(51,980)	—	—
Fund balances at April 1, 2001	4,426	169,078	—	—
Fund balances at March 31, 2002	\$ 1,962	\$ 117,098	\$ —	\$ —

Tobacco Control and Insurance Initiatives	Hospital Bad Debt and Charity Care	Miscellaneous	Eliminations	Totals	
				2002	2001
\$ —	\$ —	\$ —	\$ —	\$ 1,310,074	\$ 3,076,521
469,234	—	—	—	921,860	1,007,498
—	—	—	—	968,699	1,017,707
—	—	16,249	—	28,524,981	25,215,236
—	—	—	—	4,753,618	4,185,330
513,866	1,967,100	250,865	—	3,050,419	3,604,452
983,100	1,967,100	267,114	—	39,529,651	38,106,744
—	724,445	312,150	—	22,204,510	20,938,315
—	—	9,721	—	6,215,254	5,251,964
—	—	49,230	—	217,551	161,076
166,518	—	37,876	—	1,117,140	1,149,910
—	—	—	—	18,654	36,026
—	—	3,928	—	66,292	62,726
—	—	85,169	—	654,664	471,288
—	—	145,293	—	787,826	740,092
—	—	136,336	—	3,906,564	3,512,699
—	—	4,047	—	19,456	22,179
—	—	31,046	—	169,677	162,767
—	—	—	—	983,393	(1,404,117)
166,518	724,445	814,796	—	36,360,981	31,104,925
816,582	1,242,655	(547,682)	—	3,168,670	7,001,819
—	—	544,914	(1,281,966)	141,175	105,265
(586,488)	(1,178,179)	(34,995)	1,281,966	(2,778,273)	(3,058,900)
—	—	10,446	—	10,446	12,165
—	—	(5,025)	—	(1,511,917)	(1,404,117)
(586,488)	(1,178,179)	515,340	—	(4,138,569)	(4,345,587)
230,094	64,476	(32,342)	—	(969,899)	1,252,115
756,175	825,121	160,849	—	3,394,719	2,142,604
\$ 986,269	\$ 889,597	\$ 128,507	\$ —	\$ 2,424,820	\$ 3,394,719

Special Revenue Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

Year Ended March 31, 2002

(Amounts in thousands)

	State Lottery			School Tax Relief		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ —	\$ —	\$ —	\$ 1,310,000	\$ 1,310,000	\$ —
Miscellaneous	1,684,200	1,713,400	29,200	—	—	—
Federal grants	—	—	—	—	—	—
Total receipts	1,684,200	1,713,400	29,200	1,310,000	1,310,000	—
DISBURSEMENTS:						
Local assistance grants	1,561,500	1,561,500	—	2,510,000	2,510,000	—
Departmental operations	159,300	153,000	6,300	—	—	—
General state charges	5,700	4,900	800	—	—	—
Capital projects	—	—	—	—	—	—
Total disbursements	1,726,500	1,719,400	7,100	2,510,000	2,510,000	—
Excess (deficiency) of receipts over disbursements	(42,300)	(6,000)	36,300	(1,200,000)	(1,200,000)	—
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	—	—	—	—	—	—
Transfers to other funds	—	—	—	—	—	—
Net other financing sources (uses)	—	—	—	—	—	—
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (42,300)	\$ (6,000)	\$ 36,300	\$ (1,200,000)	\$ (1,200,000)	\$ —

Federal DHHS			State University Income		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
7,100	—	(7,100)	1,758,700	1,823,800	65,100
20,819,500	21,366,900	547,400	—	—	—
20,826,600	21,366,900	540,300	1,758,700	1,823,800	65,100
18,334,400	18,849,700	(515,300)	—	—	—
318,000	306,100	11,900	1,978,000	1,994,100	(16,100)
36,500	40,400	(3,900)	107,900	71,000	36,900
—	—	—	—	—	—
18,688,900	19,196,200	(507,300)	2,085,900	2,065,100	20,800
2,137,700	2,170,700	33,000	(327,200)	(241,300)	85,900
4,500	—	(4,500)	332,700	278,100	(54,600)
(2,144,800)	(2,190,300)	(45,500)	(11,000)	(11,000)	—
(2,140,300)	(2,190,300)	(50,000)	321,700	267,100	(54,600)
\$ (2,600)	\$ (19,600)	\$ (17,000)	\$ (5,500)	\$ 25,800	\$ 31,300

(Continued)

Special Revenue Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

Year Ended March 31, 2002

(Amounts in thousands)

	Federal Education			Earmarked Revenue Account		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Miscellaneous	—	—	—	1,959,100	1,876,100	(83,000)
Federal grants	1,613,700	1,794,400	180,700	—	—	—
Total receipts	1,613,700	1,794,400	180,700	1,959,100	1,876,100	(83,000)
DISBURSEMENTS:						
Local assistance grants	1,233,100	1,511,800	(278,700)	1,232,200	1,145,200	87,000
Departmental operations	235,900	257,400	(21,500)	2,932,600	2,845,000	87,600
General state charges	20,100	21,400	(1,300)	160,400	145,600	14,800
Capital projects	—	—	—	—	—	—
Total disbursements	1,489,100	1,790,600	(301,500)	4,325,200	4,135,800	189,400
Excess (deficiency) of receipts over disbursements	124,600	3,800	(120,800)	(2,366,100)	(2,259,700)	106,400
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	3,000	—	(3,000)	2,536,700	2,429,000	(107,700)
Transfers to other funds	(122,400)	(7,700)	114,700	(178,900)	(90,300)	88,600
Net other financing sources (uses)	(119,400)	(7,700)	111,700	2,357,800	2,338,700	(19,100)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ 5,200	\$ (3,900)	\$ (9,100)	\$ (8,300)	\$ 79,000	\$ 87,300

Other			Eliminations		Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ 1,504,500	\$ 1,469,400	\$ (35,100)	\$ —	\$ —	\$ 2,814,500	\$ 2,779,400	\$ (35,100)
1,769,900	1,715,700	(54,200)	—	—	7,179,000	7,129,000	(50,000)
4,588,800	3,536,400	(1,052,400)	—	—	27,022,000	26,697,700	(324,300)
7,863,200	6,721,500	(1,141,700)	—	—	37,015,500	36,606,100	(409,400)
6,799,800	5,691,700	1,108,100	—	—	31,671,000	31,269,900	401,100
1,066,200	1,009,000	57,200	—	—	6,690,000	6,564,600	125,400
135,400	132,800	2,600	—	—	466,000	416,100	49,900
2,000	6,300	(4,300)	—	—	2,000	6,300	(4,300)
8,003,400	6,839,800	1,163,600	—	—	38,829,000	38,256,900	572,100
(140,200)	(118,300)	21,900	—	—	(1,813,500)	(1,650,800)	162,700
206,500	166,900	(39,600)	(475,400)	(344,200)	2,608,000	2,529,800	(78,200)
(91,300)	(75,700)	15,600	475,400	344,200	(2,073,000)	(2,030,800)	42,200
115,200	91,200	(24,000)	—	—	535,000	499,000	(36,000)
\$ (25,000)	\$ (27,100)	\$ (2,100)	\$ —	\$ —	\$ (1,278,500)	\$ (1,151,800)	\$ 126,700



Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for and the payment of principal and interest on general long-term obligations and payments on certain lease/purchase or other contractual obligations.

Debt Service Reduction Reserve—to retire or defease bonds including any accrued interest thereon for any State supported bonding program.

Mental Health Services Fund—to account for the payment of debt service in conjunction with agreements for financing mental hygiene facilities.

General Obligation Debt Service Fund—to account for the payment of principal and interest on the State's general obligation debt and the payments on certain lease/purchase or other contractual obligations.

State Housing Debt Fund—to account for the repayment of State advances made to local governments and certain public authorities that are earmarked for paying the principal and interest on State Housing bonds.

Department of Health Income Fund—to account for the payment of debt service in conjunction with agreements with the Dormitory Authority for financing health facilities.

Emergency Highway Reconditioning and Preservation Fund

Emergency Highway Construction and Reconstruction Fund

Each fund accounts for a portion of motor fuel taxes earmarked for making debt service payments pursuant to agreements with the New York State Thruway Authority for financing certain highway capital projects.

Clean Water/Clean Air—to account for taxes earmarked for reimbursing the General Debt Service Fund for the payment of debt service on the Clean Water/Clean Air Bonds.

Local Government Assistance Tax Fund—to account for revenues that are earmarked for payment to the New York Local Government Assistance Corporation for debt service.

Sole Custody—to account for other miscellaneous debt service reserves.

Debt Service Funds — Combining Balance Sheet

March 31, 2002

(Amounts in thousands)

	Debt Reduction Reserve	Mental Health Services	General Obligation Debt Service	State Housing Debt	Department of Health Income
ASSETS:					
Cash and investments	\$ —	\$ 300,827	\$ 1,245,374	\$ —	\$ 51,941
Receivables, net of allowance for uncollectibles:					
Taxes	—	—	—	—	—
Other	—	45,476	—	64,226	18,504
Due from other funds	—	82,165	—	—	6,021
Total assets	\$ —	\$ 428,468	\$ 1,245,374	\$ 64,226	\$ 76,466
LIABILITIES:					
Tax refunds payable	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable	—	—	272	—	—
Deferred revenues	—	—	—	87,310	—
Total liabilities	—	—	272	87,310	—
EQUITY (DEFICIT):					
Fund balances (deficit):					
Reserved for debt service	—	258,709	1,231,047	—	21,986
Unreserved	—	169,759	14,055	(23,084)	54,480
Total equity (deficit)	—	428,468	1,245,102	(23,084)	76,466
Total liabilities and equity (deficit)	\$ —	\$ 428,468	\$ 1,245,374	\$ 64,226	\$ 76,466

Emergency Highway Reconditioning and Preservation	Emergency Highway Construction and Reconstruction	Clean Water/ Clean Air	Local Government Assistance Tax	Sole Custody	Totals	
					2002	2001
\$ —	\$ 2,032	\$ —	\$ 463,017	\$ 10,505	\$ 2,073,696	\$ 2,015,497
2,941	2,941	18,555	157,602	—	182,039	172,500
—	—	—	1,840	—	130,046	133,423
—	—	—	—	—	88,186	79,420
<u>\$ 2,941</u>	<u>\$ 4,973</u>	<u>\$ 18,555</u>	<u>\$ 622,459</u>	<u>\$ 10,505</u>	<u>\$ 2,473,967</u>	<u>\$ 2,400,840</u>
\$ 767	\$ 767	\$ 4	\$ 11,867	\$ —	\$ 13,405	\$ 12,282
—	—	—	798	—	1,070	967
25	25	—	10,301	—	97,661	101,821
<u>792</u>	<u>792</u>	<u>4</u>	<u>22,966</u>	<u>—</u>	<u>112,136</u>	<u>115,070</u>
—	—	—	454,539	10,505	1,976,786	1,898,372
2,149	4,181	18,551	144,954	—	385,045	387,398
<u>2,149</u>	<u>4,181</u>	<u>18,551</u>	<u>599,493</u>	<u>10,505</u>	<u>2,361,831</u>	<u>2,285,770</u>
<u>\$ 2,941</u>	<u>\$ 4,973</u>	<u>\$ 18,555</u>	<u>\$ 622,459</u>	<u>\$ 10,505</u>	<u>\$ 2,473,967</u>	<u>\$ 2,400,840</u>

Debt Service Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

Year Ended March 31, 2002

(Amounts in thousands)

	Debt Reduction Reserve	Mental Health Services	General Obligation Debt Service	State Housing Debt	Department of Health Income
REVENUES:					
Taxes:					
Personal income	\$ 250,000	\$ —	\$ —	\$ —	\$ —
Consumption and use	—	—	—	—	—
Other	—	—	—	—	—
Patient fees	—	254,035	—	—	169,567
Miscellaneous	—	2,835	45,197	27,610	199
Total revenues	250,000	256,870	45,197	27,610	169,766
EXPENDITURES:					
Non-personal service	—	48	3,890	—	—
Debt service, including payments on financing arrangements	—	398,746	2,525,195	27,525	33,268
Total expenditures	—	398,794	2,529,085	27,525	33,268
Excess (deficiency) of revenues over expenditures	250,000	(141,924)	(2,483,888)	85	136,498
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds	—	2,019,501	3,418,750	1,378	27,943
Operating transfers to other funds	(500,000)	(1,820,235)	(649,417)	—	(169,748)
Operating transfers to public benefit corporations	—	—	—	—	—
Proceeds from financing arrangements	—	6,138	51,886	—	—
Payments on advance refundings	—	—	—	—	—
Net other financing sources (uses)	(500,000)	205,404	2,821,219	1,378	(141,805)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(250,000)	63,480	337,331	1,463	(5,307)
Fund balances (deficit) at April 1, 2001	250,000	364,988	907,771	(24,547)	81,773
Fund balances (deficit) at March 31, 2002	\$ —	\$ 428,468	\$ 1,245,102	\$ (23,084)	\$ 76,466

Emergency Highway Reconditioning and Preservation	Emergency Highway Construction and Reconstruction	Clean Water/ Clean Air	Local Government Assistance Tax	Sole Custody	Eliminations	Totals	
						2002	2001
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 250,000	\$ 250,000
54,184	54,184	—	2,054,937	—	—	2,163,305	2,191,742
—	—	261,083	—	—	—	261,083	290,944
—	—	—	—	—	—	423,602	425,504
1,452	1,416	—	13,509	935	—	93,153	153,279
<u>55,636</u>	<u>55,600</u>	<u>261,083</u>	<u>2,068,446</u>	<u>935</u>	<u>—</u>	<u>3,191,143</u>	<u>3,311,469</u>
—	—	—	3,149	—	—	7,087	20,086
29,136	40,041	—	321,740	—	—	3,375,651	3,663,061
<u>29,136</u>	<u>40,041</u>	<u>—</u>	<u>324,889</u>	<u>—</u>	<u>—</u>	<u>3,382,738</u>	<u>3,683,147</u>
<u>26,500</u>	<u>15,559</u>	<u>261,083</u>	<u>1,743,557</u>	<u>935</u>	<u>—</u>	<u>(191,595)</u>	<u>(371,678)</u>
—	—	—	—	7,836	(578,091)	4,897,317	5,098,856
(55,885)	(44,399)	(263,444)	(1,750,173)	(12,475)	578,091	(4,687,685)	(4,674,342)
—	—	—	—	—	—	—	(148,055)
—	—	—	—	—	—	58,024	445,664
—	—	—	—	—	—	—	(370,095)
<u>(55,885)</u>	<u>(44,399)</u>	<u>(263,444)</u>	<u>(1,750,173)</u>	<u>(4,639)</u>	<u>—</u>	<u>267,656</u>	<u>352,028</u>
(29,385)	(28,840)	(2,361)	(6,616)	(3,704)	—	76,061	(19,650)
31,534	33,021	20,912	606,109	14,209	—	2,285,770	2,305,420
<u>\$ 2,149</u>	<u>\$ 4,181</u>	<u>\$ 18,551</u>	<u>\$ 599,493</u>	<u>\$ 10,505</u>	<u>\$ —</u>	<u>\$ 2,361,831</u>	<u>\$ 2,285,770</u>

Debt Service Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

Year Ended March 31, 2002

(Amounts in thousands)

	Mental Health Services			General Obligation Debt Service		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Miscellaneous	231,500	248,300	16,800	—	—	—
Total receipts	231,500	248,300	16,800	—	—	—
DISBURSEMENTS:						
Departmental operations	—	—	—	2,200	2,300	(100)
Debt service	336,000	316,800	19,200	2,900,200	2,880,000	20,200
Total disbursements	336,000	316,800	19,200	2,902,400	2,882,300	20,100
Excess (deficiency) of receipts over disbursements	(104,500)	(68,500)	36,000	(2,902,400)	(2,882,300)	20,100
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	1,923,300	1,896,800	(26,500)	2,902,400	2,882,300	(20,100)
Transfers to other funds	(1,821,500)	(1,820,200)	1,300	—	—	—
Net other financing sources (uses)	101,800	76,600	(25,200)	2,902,400	2,882,300	(20,100)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (2,700)	\$ 8,100	\$ 10,800	\$ —	\$ —	\$ —

SUNY Dormitory Income			Local Government Assistance Tax		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ —	\$ —	\$ —	\$ 2,038,600	\$ 2,043,700	\$ 5,100
261,800	247,200	(14,600)	500	600	100
261,800	247,200	(14,600)	2,039,100	2,044,300	5,200
—	—	—	4,000	4,000	—
49,700	49,700	—	292,900	290,100	2,800
49,700	49,700	—	296,900	294,100	2,800
212,100	197,500	(14,600)	1,742,200	1,750,200	8,000
—	—	—	—	—	—
(213,100)	(198,000)	15,100	(1,742,200)	(1,750,200)	(8,000)
(213,100)	(198,000)	15,100	(1,742,200)	(1,750,200)	(8,000)
\$ (1,000)	\$ (500)	\$ 500	\$ —	\$ —	\$ —

(Continued)

Debt Service Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

Year Ended March 31, 2002

(Amounts in thousands)

	Other			Eliminations	
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual
RECEIPTS:					
Taxes	\$ 627,800	\$ 615,600	\$ (12,200)	\$ —	\$ —
Miscellaneous	112,200	117,500	5,300	—	—
Total receipts	740,000	733,100	(6,900)	—	—
DISBURSEMENTS:					
Departmental operations	(200)	—	(200)	—	—
Debt service	606,200	606,600	(400)	—	—
Total disbursements	606,000	606,600	(600)	—	—
Excess (deficiency) of receipts over disbursements	134,000	126,500	(7,500)	—	—
OTHER FINANCING SOURCES (USES):					
Transfers from other funds	33,300	28,900	(4,400)	(60,000)	(65,600)
Transfers to other funds	(428,200)	(415,900)	12,300	60,000	65,600
Net other financing sources (uses)	(394,900)	(387,000)	7,900	—	—
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (260,900)	\$ (260,500)	\$ 400	\$ —	\$ —

Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ 2,666,400	\$ 2,659,300	\$ (7,100)
606,000	613,600	7,600
3,272,400	3,272,900	500
6,000	6,300	(300)
4,185,000	4,143,200	41,800
4,191,000	4,149,500	41,500
(918,600)	(876,600)	42,000
4,799,000	4,742,400	(56,600)
(4,145,000)	(4,118,700)	26,300
654,000	623,700	(30,300)
\$ (264,600)	\$ (252,900)	\$ 11,700



Capital Projects Funds

Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major state-owned capital facilities and for capital assistance grants to local governments and public authorities.

State Capital Projects Fund—to account for the construction or acquisition of state capital assets and the payments to local governments and public authorities for capital assistance financed primarily by transfers from the General Fund, Bond Funds and proceeds from various financial arrangements.

Dedicated Highway and Bridge Trust Fund—to account for taxes and fees that are earmarked for financing state, county, town, and village highway, parkway, bridge, aviation or port facility capital projects.

Environmental Protection Fund—to account for dedicated revenues that will be used to assist local government, not-for-profit corporations, and fund State initiatives to protect the environment and protect open space.

Bond Funds—to account for the proceeds of bonds issued for capital purposes. A separate bond fund is established to account for the bond proceeds of each bond issue authorized by public referendum, including the Energy Conservation Through Improved Transportation Bond Fund, the Pure Waters Bond Fund, the Transportation Capital Facilities Bond Fund, the Environmental Quality Protection Fund, the Rail Preservation and Development Bond Fund, the Transportation Infrastructure Renewal Bond Fund, the Environmental Quality Bond Act Fund and the Accelerated Capacity and Transportation Improvements Fund.

Federal Capital Projects Fund—to account for capital projects financed from federal grants.

Division for Youth Facilities Improvement Fund—to account for Division for Youth facility improvement capital projects that are financed by the New York State Urban Development Corporation.

Housing Program Fund—to account for the Low Income Housing Trust Fund Program and the Affordable Home Ownership Development program that are financed by the New York State Housing Finance Agency.

Department of Transportation Engineering Services Fund—to account for costs of providing engineering services for capital projects administered by the Department of Transportation.

Mental Hygiene Facilities Capital Improvement Fund—to account for mental hygiene capital projects.

Correctional Facilities Capital Improvement Fund—to account for correctional facility capital projects financed by the Urban Development Corporation.

Miscellaneous—to account for various capital projects financed from the sale of land or other resources, gifts, grants or other miscellaneous revenue sources earmarked for capital purposes or from transfers from the New York State Infrastructure Trust Account.

Capital Projects Funds — Combining Balance Sheet

March 31, 2002

(Amounts in thousands)

	State Capital Projects	Dedicated Highway & Bridge Trust	Environmental Protection	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Transportation Infrastructure Renewal Bond	Environmental Quality Bond
ASSETS:							
Cash and investments	\$ 161,840	\$ —	\$ 320,765	\$ 4,589	\$ 5,717	\$ 17,690	\$ 29,823
Receivables, net of allowance for uncollectibles:							
Taxes	—	77,482	—	—	—	—	—
Due from Federal government	—	—	—	—	—	—	—
Other	44,389	1,924	2,519	—	2	—	—
Due from other funds	816	125	264	—	—	—	—
Other assets	6	102	—	—	—	—	—
Total assets	\$ 207,051	\$ 79,633	\$ 323,548	\$ 4,589	\$ 5,719	\$ 17,690	\$ 29,823
LIABILITIES:							
Payable to local governments	\$ 2,390	\$ 5,655	\$ 2,363	\$ —	\$ —	\$ —	\$ —
Tax refunds payable	—	11,025	—	—	—	—	—
Accrued liabilities	7,603	12,460	607	—	—	—	—
Accounts payable	193,595	90,670	12,516	—	—	—	—
Due to other funds	25,320	68,392	4	—	—	—	—
Deferred revenues	20,253	3,809	2,394	—	—	—	—
Total liabilities	249,161	192,011	17,884	—	—	—	—
EQUITY (DEFICIT):							
Fund balances (deficits):							
Reserved for:							
Encumbrances	637,439	1,158,352	99,763	—	—	—	—
Other specified purposes	28,604	978	—	—	—	—	—
Unreserved	(708,153)	(1,271,708)	205,901	4,589	5,719	17,690	29,823
Total equity (deficit)	(42,110)	(112,378)	305,664	4,589	5,719	17,690	29,823
Total liabilities and equity (deficit)	\$ 207,051	\$ 79,633	\$ 323,548	\$ 4,589	\$ 5,719	\$ 17,690	\$ 29,823

Accelerated Capacity & Transportation Improvements Bond	Federal Capital Projects	Division For Youth Facilities Improvement	Housing Program	DOT Engineering Services	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Totals	
								2002	2001
\$ 10,650	\$ —	\$ —	\$ —	\$ —	\$ 121,472	\$ —	\$ 84,353	\$ 756,899	\$ 753,255
—	—	—	—	—	—	—	—	77,482	70,529
—	289,436	—	—	—	—	—	—	289,436	296,593
—	15,569	—	—	—	—	—	68	64,471	36,654
—	291	—	—	45,044	825	3	1,314	48,682	18,490
—	406	—	—	2	—	—	29	545	205
\$ 10,650	\$ 305,702	\$ —	\$ —	\$ 45,046	\$ 122,297	\$ 3	\$ 85,764	\$ 1,237,515	\$ 1,175,726
\$ —	\$ 41,718	\$ —	\$ 5,500	\$ —	\$ 590	\$ —	\$ —	\$ 58,216	\$ 20,226
—	—	—	—	—	—	—	—	11,025	5,122
—	1,147	—	4	16,404	322	109	4,299	42,955	43,322
—	122,230	413	482	33,655	11,217	28,764	4,033	497,575	483,918
—	125,288	18,357	121,469	223,003	2,009	154,846	11,627	750,315	615,660
—	4,786	—	—	—	—	—	—	31,242	27,644
—	295,169	18,770	127,455	273,062	14,138	183,719	19,959	1,391,328	1,195,892
—	1,762,720	3,101	4,741	314,531	35,409	109,295	28,769	4,154,120	3,841,364
—	—	—	—	—	—	—	—	29,582	24,389
10,650	(1,752,187)	(21,871)	(132,196)	(542,547)	72,750	(293,011)	37,036	(4,337,515)	(3,885,919)
10,650	10,533	(18,770)	(127,455)	(228,016)	108,159	(183,716)	65,805	(153,813)	(20,166)
\$ 10,650	\$ 305,702	\$ —	\$ —	\$ 45,046	\$ 122,297	\$ 3	\$ 85,764	\$ 1,237,515	\$ 1,175,726

Capital Projects Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended March 31, 2002

(Amounts in thousands)

	State Capital Projects	Dedicated Highway & Bridge Trust	Environmental Protection	Transportation Capital Facilities Bond	Environmental Quality Protection Bond	Transportation Infrastructure Renewal Bond	Environmental Quality Bond
REVENUES:							
Taxes:							
Consumption and use	\$ —	\$ 840,636	\$ —	\$ —	\$ —	\$ —	\$ —
Business	—	555,328	—	—	—	—	—
Other	—	—	112,000	—	—	—	—
Federal grants	—	—	—	—	—	—	—
Miscellaneous	48,335	19,638	12,239	—	—	—	—
Total revenues	48,335	1,415,602	124,239	—	—	—	—
EXPENDITURES:							
Local assistance grants:							
Education	1,011	—	—	—	—	—	—
Mental hygiene	16,912	—	—	—	—	—	—
Health and environment	97,418	—	107	—	—	—	—
Transportation	288	32,815	—	—	—	—	—
Miscellaneous	3,180	—	11,969	—	—	—	—
Capital construction	431,926	1,066,746	54,566	—	—	—	—
Total expenditures	550,735	1,099,561	66,642	—	—	—	—
Excess (deficiency) of revenues over expenditures	(502,400)	316,041	57,597	—	—	—	—
OTHER FINANCING SOURCES (USES):							
Operating transfers from other funds	519,952	—	—	—	—	—	—
Operating transfers to other funds	(35,397)	(1,151,519)	—	(1,128)	(2,512)	(602)	(44,601)
Operating transfers to public benefit corporations	(51,724)	—	—	—	—	—	—
Proceeds of general obligation bonds	—	—	—	—	—	—	30,500
Proceeds from financing arrangements	7,078	758,000	—	—	—	—	—
Net other financing sources (uses)	439,909	(393,519)	—	(1,128)	(2,512)	(602)	(14,101)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(62,491)	(77,478)	57,597	(1,128)	(2,512)	(602)	(14,101)
Fund balances (deficits) at April 1, 2001	20,381	(34,900)	248,067	5,717	8,231	18,292	43,924
Fund balances (deficits) at March 31, 2002 ..	\$ (42,110)	\$ (112,378)	\$ 305,664	\$ 4,589	\$ 5,719	\$ 17,690	\$ 29,823

Accelerated Capacity & Transportation Improvements Bond	Federal Capital Projects	Division For Youth Facilities Improvement	Housing Program	DOT Engineering Services	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Totals	
									2002	2001
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 840,636	\$ 636,051
—	—	—	—	—	—	—	—	—	555,328	493,690
—	—	—	—	—	—	—	—	—	112,000	112,000
—	1,416,871	—	—	—	—	—	—	—	1,416,871	1,505,483
—	10,845	—	—	58	855	—	31,493	—	123,463	93,240
—	1,427,716	—	—	58	855	—	31,493	—	3,048,298	2,840,464
—	—	—	—	—	—	—	—	—	1,011	68,384
—	—	—	—	—	29,657	—	—	—	46,569	42,673
—	257,098	—	—	—	—	—	—	—	354,623	422,013
—	125,363	—	—	—	—	—	—	—	158,466	6,324
—	272	—	57,550	—	—	—	—	—	72,971	55,750
—	859,472	6,879	1,032	604,653	116,623	213,750	41,720	—	3,397,367	3,448,263
—	1,242,205	6,879	58,582	604,653	146,280	213,750	41,720	—	4,031,007	4,043,407
—	185,511	(6,879)	(58,582)	(604,595)	(145,425)	(213,750)	(10,227)	—	(982,709)	(1,202,943)
—	—	—	2,677	553,230	1,600	—	11,606	(754,643)	334,422	303,924
(4,174)	(124,432)	—	—	—	—	—	(220,337)	754,643	(830,059)	(685,837)
—	(50,546)	—	(31,782)	—	—	—	(6,042)	—	(140,094)	(85,163)
—	—	—	—	—	—	—	180,032	—	210,532	263,539
—	—	500	120,507	—	241,245	139,618	7,313	—	1,274,261	1,515,517
(4,174)	(174,978)	500	91,402	553,230	242,845	139,618	(27,428)	—	849,062	1,311,980
(4,174)	10,533	(6,379)	32,820	(51,365)	97,420	(74,132)	(37,655)	—	(133,647)	109,037
14,824	—	(12,391)	(160,275)	(176,651)	10,739	(109,584)	103,460	—	(20,166)	(129,203)
\$ 10,650	\$ 10,533	\$ (18,770)	\$ (127,455)	\$ (228,016)	\$ 108,159	\$ (183,716)	\$ 65,805	\$ —	\$ (153,813)	\$ (20,166)

Capital Projects Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual

Year Ended March 31, 2002

(Amounts in thousands)

	State Capital Projects			Dedicated Highway and Bridge Trust		
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
RECEIPTS:						
Taxes	\$ —	\$ —	\$ —	\$ 1,442,000	\$ 1,393,000	\$ (49,000)
Miscellaneous	405,400	327,500	(77,900)	838,100	731,300	(106,800)
Federal grants	—	—	—	—	—	—
Total receipts	405,400	327,500	(77,900)	2,280,100	2,124,300	(155,800)
DISBURSEMENTS:						
Local assistance grants	474,400	147,800	326,600	—	27,700	(27,700)
Capital projects	437,700	687,500	(249,800)	1,139,200	1,049,100	90,100
Total disbursements	912,100	835,300	76,800	1,139,200	1,076,800	62,400
Excess (deficiency) of receipts over disbursements	(506,700)	(507,800)	(1,100)	1,140,900	1,047,500	(93,400)
OTHER FINANCING SOURCES (USES):						
Bond and note proceeds, net	—	—	—	—	—	—
Transfers from other funds	513,400	519,200	5,800	—	—	—
Transfers to other funds	(6,700)	(11,400)	(4,700)	(1,140,900)	(1,117,200)	(23,700)
Net other financing sources (uses)	506,700	507,800	1,100	(1,140,900)	(1,117,200)	(23,700)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ —	\$ —	\$ —	\$ —	\$ (69,700)	\$ (117,100)

Federal Capital Projects			Department of Transportation Engineering Services		
Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	1,200	1,200	—	—	—
1,470,700	1,423,000	(47,700)	—	—	—
1,470,700	1,424,200	(46,500)	—	—	—
217,000	343,400	(126,400)	—	—	—
1,030,300	923,200	107,100	633,700	583,300	50,400
1,247,300	1,266,600	(19,300)	633,700	583,300	50,400
223,400	157,600	(65,800)	(633,700)	(583,300)	50,400
—	—	—	—	—	—
—	—	—	633,700	508,400	(125,300)
(223,400)	(114,000)	109,400	—	—	—
(223,400)	(114,000)	109,400	633,700	508,400	(125,300)
\$ —	\$ 43,600	\$ 43,600	\$ —	\$ (74,900)	\$ (74,900)

(Continued)

Capital Projects Funds — Combining Schedule of Cash Receipts and Disbursements Budgetary Basis — Financial Plan and Actual (cont'd)

Year Ended March 31, 2002

(Amounts in thousands)

	Other			Eliminations	
	Financial Plan	Actual	Favorable (Unfavorable) Variance	Financial Plan	Actual
RECEIPTS:					
Taxes	\$ 112,000	\$ 112,000	\$ —	\$ —	\$ —
Miscellaneous	487,500	384,200	(103,300)	—	—
Federal grants	300	—	(300)	—	—
Total receipts	599,800	496,200	(103,600)	—	—
DISBURSEMENTS:					
Local assistance grants	164,600	130,800	33,800	—	—
Capital projects	457,100	420,600	36,500	—	—
Total disbursements	621,700	551,400	70,300	—	—
Excess (deficiency) of receipts over disbursements	(21,900)	(55,200)	(33,300)	—	—
OTHER FINANCING SOURCES (USES):					
Bond and note proceeds, net	254,000	210,500	(43,500)	—	—
Transfers from other funds	(991,800)	40,443	1,032,243	(924,300)	(754,643)
Transfers to other funds	683,700	(273,243)	(956,943)	924,300	754,643
Net other financing sources (uses)	(54,100)	(22,300)	31,800	—	—
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ (76,000)	\$ (77,500)	\$ (1,500)	\$ —	\$ —

Total		
Financial Plan	Actual	Favorable (Unfavorable) Variance
\$ 1,554,000	\$ 1,505,000	\$ (49,000)
1,731,000	1,444,200	(286,800)
1,471,000	1,423,000	(48,000)
4,756,000	4,372,200	(383,800)
856,000	649,700	206,300
3,698,000	3,663,700	34,300
4,554,000	4,313,400	240,600
202,000	58,800	(143,200)
254,000	210,500	(43,500)
(769,000)	313,400	1,082,400
237,000	(761,200)	(998,200)
(278,000)	(237,300)	40,700
\$ (76,000)	\$ (178,500)	\$ (102,500)



General Fixed Assets

Account Group

General Fixed Assets Account Group accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for by public benefit corporations, the College and University Funds and the State's infrastructure fixed assets.

Schedule of General Fixed Assets by Function

March 31, 2002

(Amounts in thousands)

Function	Land	Land Improvements	Buildings	Equipment	Totals
General government	\$ 91,060	\$ 36,714	\$ 1,872,789	\$ 190,168	\$ 2,190,731
Education	1,097	359	59,306	13,858	74,620
Economic redevelopment & regulation	407	6,166	31,262	8,188	46,023
Human resources	8,700	14,606	211,821	45,872	280,999
Health & mental hygiene	141,731	21,849	1,969,467	76,852	2,209,899
Environment	486,110	7,901	57,315	26,314	577,640
Transportation	60,943	21,722	231,485	238,149	552,299
Public safety	22,758	154,770	2,314,153	69,137	2,560,818
Natural resources & recreation	260,800	92,571	211,209	15,319	579,899
Total by function	\$ 1,073,606	\$ 356,658	\$ 6,958,807	\$ 683,857	9,072,928
Construction in progress					1,288,170
Total general fixed assets					\$ 10,361,098

Schedule of Changes in General Fixed Assets by Function

Year Ended March 31, 2002

(Amounts in thousands)

Function	Balance April 1, 2001	Additions	Deletions	Balance March 31, 2002
General government	\$ 2,061,213	\$ 131,679	\$ 2,161	\$ 2,190,731
Education	73,804	816	—	74,620
Economic redevelopment & regulation	42,296	4,252	525	46,023
Human resources	269,498	13,398	1,897	280,999
Health & mental hygiene	2,199,411	58,552	48,064	2,209,899
Environment	580,636	16,466	19,462	577,640
Transportation	527,953	32,906	8,560	552,299
Public safety	2,361,365	205,002	5,549	2,560,818
Natural resources & recreation	566,824	14,224	1,149	579,899
Total by function	8,683,000	477,295	87,367	9,072,928
Construction in progress	1,268,757	321,157	301,744	1,288,170
Total general fixed assets	\$ 9,951,757	\$ 798,452	\$ 389,111	\$ 10,361,098

Schedule of General Fixed Assets by Source

March 31, 2002

(Amounts in thousands)

General Fixed Assets:

Land	\$ 1,073,606
Land improvements	356,658
Buildings	6,958,807
Equipment	683,857
Construction in progress	1,288,170
Total general fixed assets	\$ 10,361,098

Investment in General Fixed Assets:

General fund	\$ 1,179,182
Special revenue funds	89,411
Capital projects funds	5,543,989
Trust funds	992
Agency funds	6,006
Donations	70,589
Fixed assets—initial inventory	3,470,929
Total investment in general fixed assets	\$ 10,361,098



College and University Funds

College and University Funds account for the operation of both State University of New York (SUNY) and the senior colleges of the City University of New York (CUNY).

Current Funds—Unrestricted—account for those assets which can be expended for any purpose in performing their primary objective.

Current Funds—Restricted—account for those assets received from donors or other outside agencies that are restricted by them for specific operating purposes.

Loan Funds—account for gifts and grants which are limited by the terms of the donors for the purpose of making loans to students.

Endowment and Similar Funds—account for resources that are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be utilized.

Plant Funds—account for resources that have been or are to be invested in property, plant and equipment, and funds reserved to retire debt incurred to finance facilities.

College and University Funds

Combining Balance Sheet

June 30, 2001

(Amounts in thousands)

	Current Funds			Loan Funds		
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total
ASSETS:						
Cash and investments	\$ 613,548	\$ 274,026	\$ 887,574	\$ 11,441	\$ 6,384	\$ 17,825
Other receivables, net of allowances for uncollectibles	427,530	151,005	578,535	129,348	27,919	157,267
Due from other funds	453,274	49,071	502,345	13	569	582
Fixed assets	—	—	—	—	—	—
Other assets	40,829	8,098	48,927	7	—	7
Total assets	\$ 1,535,181	\$ 482,200	\$ 2,017,381	\$ 140,809	\$ 34,872	\$ 175,681
LIABILITIES:						
Accrued liabilities	\$ 1,146,481	\$ 202,700	\$ 1,349,181	\$ 116	\$ 510	\$ 626
Due to other funds	258,946	1,990	260,936	434	—	434
Deferred revenues	126,633	25,408	152,041	—	—	—
Obligations under lease/purchase and other financing arrangements	—	—	—	—	—	—
Total liabilities	1,532,060	230,098	1,762,158	550	510	1,060
EQUITY:						
Fund balances:						
Reserved for other specified purposes	3,121	252,102	255,223	140,259	34,362	174,621
Investment in fixed assets	—	—	—	—	—	—
Total equity	3,121	252,102	255,223	140,259	34,362	174,621
Total liabilities and equity ...	\$ 1,535,181	\$ 482,200	\$ 2,017,381	\$ 140,809	\$ 34,872	\$ 175,681

Endowment and Similar Funds			Plant Funds		
State University of New York	City University of New York	Total	State University of New York	City University of New York	Total
\$ 757,017	\$ 72,482	\$ 829,499	\$ 1,256,806	\$ 1,010,750	\$ 2,267,556
1,584	—	1,584	34,416	21,250	55,666
5	1,421	1,426	262,082	—	262,082
—	—	—	6,004,679	3,599,545	9,604,224
14	—	14	1,012	353	1,365
\$ 758,620	\$ 73,903	\$ 832,523	\$ 7,558,995	\$ 4,631,898	\$ 12,190,893
\$ 13,385	\$ 2,253	\$ 15,638	\$ 361,220	\$ 58,421	\$ 419,641
1,213	—	1,213	—	—	—
—	—	—	—	—	—
—	—	—	4,500,277	2,822,555	7,322,832
14,598	2,253	16,851	4,861,497	2,880,976	7,742,473
744,022	71,650	815,672	—	—	—
—	—	—	2,697,498	1,750,922	4,448,420
744,022	71,650	815,672	2,697,498	1,750,922	4,448,420
\$ 758,620	\$ 73,903	\$ 832,523	\$ 7,558,995	\$ 4,631,898	\$ 12,190,893

(Continued)

College and University Funds

Combining Balance Sheet (cont'd)

June 30, 2001

(Amounts in thousands)

	Agency Funds				Totals	
	State	City	Total	Eliminations	2001	2000
	University	University				
	of New York	of New York				
ASSETS:						
Cash and investments	\$ —	\$ 6,802	\$ 6,802	\$ —	\$ 4,009,256	\$ 4,250,150
Other receivables, net of allowances for uncollectibles	—	261	261	—	793,313	710,284
Due from other funds	—	—	—	(262,583)	503,852	559,304
Fixed assets	—	—	—	—	9,604,224	8,972,562
Other assets	—	—	—	—	50,313	46,917
Total assets	\$ —	\$ 7,063	\$ 7,063	\$ (262,583)	\$ 14,960,958	\$ 14,539,217
LIABILITIES:						
Accrued liabilities	\$ —	\$ 7,063	\$ 7,063	\$ —	\$ 1,792,149	\$ 1,706,239
Due to other funds	—	—	—	(262,583)	—	—
Deferred revenues	—	—	—	—	152,041	138,407
Obligations under lease/purchase and other financing arrangements	—	—	—	—	7,322,832	7,265,797
Total liabilities	—	7,063	7,063	(262,583)	9,267,022	9,110,443
EQUITY:						
Fund balances:						
Reserved for other specified purposes	—	—	—	—	1,245,516	1,396,260
Investment in fixed assets	—	—	—	—	4,448,420	4,032,514
Total equity	—	—	—	—	5,693,936	5,428,774
Total liabilities and equity ...	\$ —	\$ 7,063	\$ 7,063	\$ (262,583)	\$ 14,960,958	\$ 14,539,217

College and University Funds

Combining Statement of Changes

in Fund Balances

Year Ended June 30, 2001

(Amounts in thousands)

	Current Funds					
	Unrestricted			Restricted		
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total
Revenues and other additions:						
Unrestricted current fund revenues	\$ 2,561,103	\$ 576,158	\$ 3,137,261	\$ —	\$ —	\$ —
New York City appropriations	—	—	—	—	555	555
Government grants and contracts:						
Federal	—	—	—	422,500	194,396	616,896
New York State	—	—	—	164,980	28,910	193,890
New York City	—	—	—	—	33,954	33,954
Other	—	—	—	12,614	—	12,614
Private gifts, grants and contracts	—	—	—	91,504	67,671	159,175
Investment income	—	—	—	14,202	4,292	18,494
Net decrease in the fair value						
of investments	—	—	—	—	(660)	(660)
Interest on loans receivable	—	—	—	—	—	—
U.S. government advances	—	—	—	—	—	—
Expended for plant facilities	—	—	—	—	—	—
Retirement indebtedness	—	—	—	—	—	—
Other additions	—	—	—	5,853	2,231	8,084
Total revenues and other additions	2,561,103	576,158	3,137,261	711,653	331,349	1,043,002
Expenditures and other deductions:						
Educational and general expenditures	2,731,144	1,114,308	3,845,452	742,681	303,493	1,046,174
Hospitals and clinics	946,192	—	946,192	15	—	15
Auxiliary enterprises expenditures	457,597	10,206	467,803	360	—	360
Indirect cost recovered	—	—	—	101,191	20,394	121,585
Refunded to grantors	—	—	—	—	—	—
Loan cancellations and net change						
in allowance for doubtful loans	—	—	—	—	—	—
Administration costs	—	—	—	—	—	—
Expended for plant facilities	—	—	—	—	—	—
Additional indebtedness incurred						
to effect refinancing	—	—	—	—	—	—
Debt service:						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Plant and equipment write-offs						
and disposals	—	—	—	—	—	—
Other deductions	—	—	—	—	—	—
Total expenditures and other deductions	4,134,933	1,124,514	5,259,447	844,247	323,887	1,168,134
Transfers from (to) other funds:						
Mandatory:						
Debt service and reserve requirements ..	(433,304)	—	(433,304)	—	—	—
Renewals and replacements	—	(407)	(407)	—	—	—
Loan fund matching grant	(194)	—	(194)	—	—	—
Nonmandatory:						
Interfund transfers	(26,697)	2,256	(24,441)	7,138	(1,303)	5,835
State appropriations	1,906,423	559,059	2,465,482	129,906	—	129,906
Total transfers from (to) other funds	1,446,228	560,908	2,007,136	137,044	(1,303)	135,741
Net increase (decrease) for the year	(127,602)	12,552	(115,050)	4,450	6,159	10,609
Fund balances at July 1, 2000	104,678	43,628	148,306	21,595	189,763	211,358
Fund balances at June 30, 2001	\$ (22,924)	\$ 56,180	\$ 33,256	\$ 26,045	\$ 195,922	\$ 221,967

(Continued)

College and University Funds

Combining Statement of Changes in Fund Balances (cont'd)

Year Ended June 30, 2001

(Amounts in thousands)

	Loan Funds			Endowment and Similar Funds		
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total
Revenues and other additions:						
Unrestricted current fund revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
New York City appropriations	—	—	—	—	—	—
Government grants and contracts:						
Federal	—	1,223	1,223	—	—	—
New York State	—	—	—	—	—	—
New York City	—	—	—	—	—	—
Other	—	—	—	—	—	—
Private gifts, grants and contracts	—	—	—	6,551	1,509	8,060
Investment income	807	267	1,074	544	21	565
Net decrease in the fair value of investments	—	—	—	(53,695)	(4,109)	(57,804)
Interest on loans receivable	3,626	712	4,338	—	—	—
U.S. government advances	635	—	635	—	—	—
Expended for plant facilities	—	—	—	—	—	—
Retirement indebtedness	—	—	—	—	—	—
Other additions	1,204	1,031	2,235	2,254	—	2,254
Total revenues and other additions	6,272	3,233	9,505	(44,346)	(2,579)	(46,925)
Expenditures and other deductions:						
Educational and general expenditures	—	—	—	—	—	—
Hospitals and clinics	—	—	—	—	—	—
Auxiliary enterprises expenditures	—	—	—	—	—	—
Indirect cost recovered	—	—	—	—	—	—
Refunded to grantors	221	—	221	—	—	—
Loan cancellations and net changes in allowance for doubtful loans	477	951	1,428	—	—	—
Administration costs	757	657	1,414	—	—	—
Expended for plant facilities	—	—	—	—	—	—
Additional indebtedness incurred to effect refinancing	—	—	—	—	—	—
Debt service:						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Plant and equipment write-offs and disposals	—	—	—	—	—	—
Other deductions	551	—	551	—	—	—
Total expenditures and other deductions	2,006	1,608	3,614	—	—	—
Transfers from (to) other funds:						
Mandatory:						
Debt service and reserve requirements ..	—	—	—	—	—	—
Renewals and replacements	—	—	—	—	—	—
Loan fund matching grant	194	407	601	—	—	—
Nonmandatory:						
Interfund transfers	(307)	—	(307)	(3,350)	(2,213)	(5,563)
State appropriations	—	—	—	—	—	—
Total transfers from (to) other funds	(113)	407	294	(3,350)	(2,213)	(5,563)
Net increase (decrease) for the year	4,153	2,032	6,185	(47,696)	(4,792)	(52,488)
Fund balances at July 1, 2000	136,106	32,330	168,436	791,718	76,442	868,160
Fund balances at June 30, 2001	\$ 140,259	\$ 34,362	\$ 174,621	\$ 744,022	\$ 71,650	\$ 815,672

Plant Funds

State University of New York		City University of New York		Total
\$	—	\$	—	\$ —
	—		—	—
	—		—	—
	8,000		—	8,000
	—		—	—
	—		—	—
	20,797		—	20,797
	76,979		66,535	143,514
	—		—	—
	—		—	—
	—		—	—
	108,192		65,488	173,680
	175,138		113,353	288,491
	876		—	876
	389,982		245,376	635,358
	—		—	—
	—		—	—
	—		—	—
	—		—	—
	—		—	—
	185,623		55,122	240,745
	—		1,826	1,826
	175,138		113,353	288,491
	257,745		169,488	427,233
	40,336		28,912	69,248
	1,573		3,878	5,451
	660,415		372,579	1,032,994
	433,304		—	433,304
	—		—	—
	—		—	—
	23,216		2,212	25,428
	57,368		297,442	354,810
	513,888		299,654	813,542
	243,455		172,451	415,906
	2,454,043		1,578,471	4,032,514
\$	2,697,498	\$	1,750,922	\$ 4,448,420

College and University Funds

Combining Statement of Current Funds Revenues, Expenditures, and Other Changes

Year Ended June 30, 2001

(Amounts in thousands)

	Unrestricted			Restricted			Totals	
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total	2001	2000
Revenues:								
Tuition and fees	\$ 801,750	\$ 453,467	\$ 1,255,217	\$ —	\$ —	\$ —	\$ 1,255,217	\$ 1,206,210
Governmental appropriations:								
Federal	19,637	—	19,637	—	—	—	19,637	18,223
New York City	—	20,215	20,215	—	555	555	20,770	21,407
Government grants and contracts:								
Federal	145,630	17,921	163,551	343,964	173,236	517,200	680,751	609,660
New York State	29,306	3,340	32,646	161,254	26,750	188,004	220,650	189,956
New York City	—	3,409	3,409	—	29,136	29,136	32,545	32,346
Local	4,870	—	4,870	10,806	—	10,806	15,676	13,731
Private gifts, grants and contracts ..	135,851	9,053	144,904	71,907	58,835	130,742	275,646	305,227
Endowment income	4,360	—	4,360	19,513	—	19,513	23,873	20,486
Sales and services:								
University hospitals and clinics ..	831,695	—	831,695	—	—	—	831,695	820,667
Educational activities	35,199	3,732	38,931	—	101	101	39,032	31,943
Auxiliary enterprises	498,121	10,168	508,289	24	—	24	508,313	467,703
Other	54,684	54,853	109,537	5,682	14,880	20,562	130,099	132,941
Total revenues	2,561,103	576,158	3,137,261	613,150	303,493	916,643	4,053,904	3,870,500
Expenditures and mandatory transfers:								
Educational and general:								
Instruction	1,197,934	530,359	1,728,293	80,320	47,374	127,694	1,855,987	1,804,238
Research	160,903	15,588	176,491	265,797	37,059	302,856	479,347	449,119
Public service	90,455	24,704	115,159	122,512	1,011	123,523	238,682	201,128
Academic support	263,999	48,885	312,884	3,493	39,809	43,302	356,186	338,374
Student services	158,537	101,886	260,423	2,917	15,955	18,872	279,295	291,778
Institutional support	441,705	209,740	651,445	23,152	32,928	56,080	707,525	653,818
Operation and maintenance of plant	372,367	157,496	529,863	1,080	1,444	2,524	532,387	506,461
Scholarships and fellowships ...	45,244	25,650	70,894	243,410	127,913	371,323	442,217	406,826
Educational and general expenditures	2,731,144	1,114,308	3,845,452	742,681	303,493	1,046,174	4,891,626	4,651,742
Mandatory transfers:								
Debt service	370,188	—	370,188	—	—	—	370,188	339,998
Loan fund matching grant	194	407	601	—	—	—	601	567
Total educational and general	3,101,526	1,114,715	4,216,241	742,681	303,493	1,046,174	5,262,415	4,992,307
Hospitals and clinics:								
Expenditures	946,192	—	946,192	15	—	15	946,207	937,939
Mandatory transfers for debt service	23,135	—	23,135	—	—	—	23,135	21,679
Total hospital and clinics	969,327	—	969,327	15	—	15	969,342	959,618

College and University Funds

Combining Statement of Current Funds Revenues, Expenditures, and Other Changes (cont'd)

Year Ended June 30, 2001

(Amounts in thousands)

	Unrestricted			Restricted			Totals	
	State University of New York	City University of New York	Total	State University of New York	City University of New York	Total	2001	2000
Auxiliary enterprises:								
Expenditures	457,597	10,206	467,803	360	—	360	468,163	411,753
Mandatory transfers for debt service	39,981	—	39,981	—	—	—	39,981	36,945
Total auxiliary enterprises	497,578	10,206	507,784	360	—	360	508,144	448,698
Total expenditures and mandatory transfers ...	4,568,431	1,124,921	5,693,352	743,056	303,493	1,046,549	6,739,901	6,400,623
Other transfers and additions (deductions):								
Excess of restricted additions over expenditures	—	—	—	(2,688)	7,462	4,774	4,774	(1,636)
Transfer from (to):								
Endowment and similar funds ...	(3,532)	3,517	(15)	6,938	—	6,938	6,923	(4,767)
Loan funds	259	—	259	(8)	—	(8)	251	32
Plant funds	(23,466)	(1,261)	(24,727)	250	—	250	(24,477)	(33,864)
State appropriations	1,906,423	559,059	2,465,482	129,906	—	129,906	2,595,388	2,542,178
Other	42	—	42	(42)	(1,303)	(1,345)	(1,303)	884
Total other transfers and additions (deductions) ..	1,879,726	561,315	2,441,041	134,356	6,159	140,515	2,581,556	2,502,827
Net increase (decrease) in fund balances	\$ (127,602)	\$ 12,552	\$ (115,050)	\$ 4,450	\$ 6,159	\$ 10,609	\$ (104,441)	\$ (27,296)



Trust & Agency Funds

Trust and Agency Funds are used to account for assets held by the State in a fiduciary capacity or as an agent for individuals, private organizations or other governments and include Expendable Trust Funds, the State and Local Retirement System Fund and Agency Funds.

Expendable Trust Funds:

Unemployment Insurance Benefit Fund—accounts for the transfers from the Federal Unemployment Trust Fund in the U.S. Treasury to the State for the payment of unemployment compensation benefits.

Other Expendable Trust Funds—include several funds which account for various gifts, bequests or contributions made to the State to be expended for purposes specified by the donor, such as for the benefit of mental hygiene patients.

Nonexpendable Trust Funds—account for various loan programs administered by State agencies, such as non-interest temporary loans to non-profit housing development companies administered by the Division of Housing and Community Renewal or for various gifts and bequests; the principal of which must be preserved intact with only the interest income available for expenditures for purposes specified by the donor; such as an annual award to an outstanding State trooper.

State and Local Retirement System—accounts for the payment of retirement, disability and death benefits to members of the New York State and Local Employees' Retirement System and the New York State Police and Fire Retirement System and their beneficiaries.

Agency Funds:

Employee Benefit and Payroll Related Funds—account for various employee benefit programs, such as the NYS employee health insurance programs, or for the disposition of various payroll related deductions, such as for social security contributions.

Lottery Prize Fund—accounts for the payment of lottery prizes by the Division of the Lottery.

MMIS Statewide Escrow Fund—accounts for the transfer from other funds of the federal, state and local shares of Medicaid program expenditures to a paying agent for ultimate payment to health care providers.

Other Agency Funds—account for various escrow, revenue collection and agency accounts for which the State acts in an agent's capacity until the proper disposition of the assets can be made. This includes accounting for advances from New York for paying CUNY operating costs and for constructing New York City correctional facilities.

Trust and Agency Funds — Combining Balance Sheet

March 31, 2002

(Amounts in thousands)

	Expendable Trust Funds			
	Combined Expendable Trust	Milk Producers Security	Unemployment Insurance Benefit	Miscellaneous
ASSETS:				
Cash and investments	\$ 20,133	\$ 5,655	\$ 170,504	\$ 1,201,457
Retirement system investments	—	—	—	—
Receivables, net of allowances for uncollectibles:				
Taxes	—	—	1,164,698	—
Due from Federal government	—	—	1,891	—
Other	12,494	—	61,464	174,446
Due from other funds	990	—	—	68,696
Other assets	14	—	—	—
Total assets	\$ 33,631	\$ 5,655	\$ 1,398,557	\$ 1,444,599
LIABILITIES:				
Payable to local governments	\$ —	\$ —	\$ —	\$ —
Accrued liabilities	73	8	77,989	501,183
Accounts payable	1,411	—	—	59
Due to other funds	1,345	—	—	38
Deferred revenues	10,636	—	—	8,042
Total liabilities	13,465	8	77,989	509,322
EQUITY:				
Fund balances:				
Reserved for:				
Employees' pension benefits	—	—	—	—
Unemployment benefits	—	—	1,320,568	—
Other specified purposes	20,166	5,647	—	935,277
Total equity	20,166	5,647	1,320,568	935,277
Total liabilities and equity	\$ 33,631	\$ 5,655	\$ 1,398,557	\$ 1,444,599

Nonexpendable Trust Funds

Combined Trusts, Gifts, Bequests	Arts Capital Revolving	Housing Development	Miscellaneous	State and Local Retirement System
\$ 3,816	\$ 515	\$ 12,199	\$ 2,911	\$ —
—	—	—	—	111,168,496
—	—	—	—	—
—	—	—	—	—
—	—	—	—	2,070,676
35	—	—	—	—
—	—	—	—	8,142,999
<u>\$ 3,851</u>	<u>\$ 515</u>	<u>\$ 12,199</u>	<u>\$ 2,911</u>	<u>\$ 121,382,171</u>
\$ 72	\$ 100	\$ 293	\$ —	\$ —
2	—	—	—	8,657,278
32	—	—	—	—
—	—	—	—	—
—	—	—	—	—
<u>106</u>	<u>100</u>	<u>293</u>	<u>—</u>	<u>8,657,278</u>
—	—	—	—	112,724,893
—	—	—	—	—
3,745	415	11,906	2,911	—
<u>3,745</u>	<u>415</u>	<u>11,906</u>	<u>2,911</u>	<u>112,724,893</u>
<u>\$ 3,851</u>	<u>\$ 515</u>	<u>\$ 12,199</u>	<u>\$ 2,911</u>	<u>\$ 121,382,171</u>

(Continued)

Trust and Agency Funds — Combining Balance Sheet (cont'd)

March 31, 2002

(Amounts in thousands)

	Agency Funds					
	Employees' Health Insurance	Social Security Contribution	NYS Employee Payroll Withholding	Employees' Dental Insurance	Management Confidential Group Insurance	Lottery Prize
ASSETS:						
Cash and investments	\$ 89,756	\$ 18,919	\$ 22,638	\$ 3,819	\$ 3,757	\$ 1,725,196
Retirement system investments	—	—	—	—	—	—
Receivables, net of allowances for uncollectibles:						
Taxes	—	—	—	—	—	—
Due from Federal government	—	—	—	—	—	—
Other	24,615	—	—	95	—	168,288
Due from other funds	16	—	—	414	—	—
Other assets	116,212	—	—	—	—	—
Total assets	\$ 230,599	\$ 18,919	\$ 22,638	\$ 4,328	\$ 3,757	\$ 1,893,484
LIABILITIES:						
Payable to local governments	\$ 116,212	\$ —	\$ —	\$ 95	\$ —	\$ —
Accrued liabilities	111,005	18,375	—	292	3,372	1,893,484
Accounts payable	2,603	544	8,864	3,941	385	—
Due to other funds	779	—	13,774	—	—	—
Deferred revenues	—	—	—	—	—	—
Total liabilities	230,599	18,919	22,638	4,328	3,757	1,893,484
EQUITY:						
Fund balances:						
Reserved for:						
Employees' pension benefits	—	—	—	—	—	—
Unemployment benefits	—	—	—	—	—	—
Other specified purposes	—	—	—	—	—	—
Total equity	—	—	—	—	—	—
Total liabilities and equity	\$ 230,599	\$ 18,919	\$ 22,638	\$ 4,328	\$ 3,757	\$ 1,893,484

Agency Funds

CUNY Senior College Operating	MMIS Statewide Escrow	Sole Custody	Miscellaneous	Totals	
				2002	2001
\$ 13,674	\$ 342,537	\$ 2,601,560	\$ 523,744	\$ 6,762,790	\$ 7,512,432
—	—	—	—	111,168,496	112,432,913
—	—	—	—	1,164,698	1,126,353
—	—	—	—	1,891	2,414
—	—	9,483	80,911	2,602,472	2,758,207
398	—	8,847	47,456	126,852	100,356
7	—	—	—	8,259,232	10,942,292
<u>\$ 14,079</u>	<u>\$ 342,537</u>	<u>\$ 2,619,890</u>	<u>\$ 652,111</u>	<u>\$ 130,086,431</u>	<u>\$ 134,874,967</u>
\$ —	\$ 934	\$ 1,382,615	\$ 15,198	\$ 1,515,519	\$ 1,884,007
7,015	312,945	1,237,275	557,530	13,377,826	15,869,734
6,577	1,218	—	6,975	32,609	97,224
487	27,440	—	72,408	116,271	80,899
—	—	—	—	18,678	21,675
<u>14,079</u>	<u>342,537</u>	<u>2,619,890</u>	<u>652,111</u>	<u>15,060,903</u>	<u>17,953,539</u>
—	—	—	—	112,724,893	114,043,511
—	—	—	—	1,320,568	1,953,426
—	—	—	—	980,067	924,491
—	—	—	—	115,025,528	116,921,428
<u>\$ 14,079</u>	<u>\$ 342,537</u>	<u>\$ 2,619,890</u>	<u>\$ 652,111</u>	<u>\$ 130,086,431</u>	<u>\$ 134,874,967</u>

Expendable Trust Funds — Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended March 31, 2002

(Amounts in thousands)

	Combined Expendable Trust	Milk Producers Security	Unemployment Insurance Benefit	Miscellaneous	Totals	
					2002	2001
REVENUES:						
Unemployment taxes	\$ —	\$ —	\$ 1,972,592	\$ —	\$ 1,972,592	\$ 1,990,003
Federal grants	—	—	74,303	—	74,303	33,912
Miscellaneous	16,737	32	562,965	1,935,420	2,515,154	1,947,653
Total revenues	16,737	32	2,609,860	1,935,420	4,562,049	3,971,568
EXPENDITURES:						
Local assistance grants— miscellaneous	1,808	—	—	—	1,808	2,659
Departmental operations:						
Personal service	412	102	—	334	848	821
Non-personal service	4,074	5	—	1,459,881	1,463,960	1,601,292
Other fringe benefits	230	31	—	87	348	531
Capital construction	10,997	—	—	—	10,997	—
Unemployment benefits	—	—	3,242,718	—	3,242,718	1,877,073
Total expenditures	17,521	138	3,242,718	1,460,302	4,720,679	3,482,376
Excess of revenues over expenditures	(784)	(106)	(632,858)	475,118	(158,630)	489,192
OTHER FINANCING SOURCES (USES):						
Operating transfers from other funds ..	600	—	—	300	900	1,325
Operating transfers to other funds ...	—	—	—	(415,374)	(415,374)	(267,373)
Operating transfers to public benefit corporations	—	—	—	(66)	(66)	(121)
Net other financing sources (uses)	600	—	—	(415,140)	(414,540)	(266,169)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(184)	(106)	(632,858)	59,978	(573,170)	223,023
Fund balances at April 1, 2001	20,350	5,753	1,953,426	875,299	2,854,828	2,631,805
Fund balances at March 31, 2002	\$ 20,166	\$ 5,647	\$ 1,320,568	\$ 935,277	\$ 2,281,658	\$ 2,854,828

Nonexpendable Trust Funds — Combining Statement of Revenues, Expenses and Changes in Fund Balances

Year Ended March 31, 2002

(Amounts in thousands)

	Combined Trusts, Gifts, Bequests	Arts Capital Revolving	Housing Development	Miscellaneous	Totals	
					2002	2001
OPERATING REVENUES:						
Investment income	\$ 170	\$ 16	\$ 232	\$ 6	\$ 424	\$ 1,311
Miscellaneous revenues	18	10	—	979	1,007	3,972
Total operating revenues	188	26	232	985	1,431	5,283
OPERATING EXPENSES	3,199	100	1,399	845	5,543	3,502
Operating income (loss)	(3,011)	(74)	(1,167)	140	(4,112)	1,781
Fund balances at April 1, 2001	6,756	489	13,073	2,771	23,089	21,308
Fund balances at March 31, 2002	\$ 3,745	\$ 415	\$ 11,906	\$ 2,911	\$ 18,977	\$ 23,089

Nonexpendable Trust Funds — Combining Statement of Cash Flows

Year Ended March 31, 2002

(Amounts in thousands)

	Combined Trusts, Gifts, Bequests	Arts Capital Revolving	Housing Development	Miscellaneous	Totals	
					2002	2001
SOURCES OF CASH AND INVESTMENTS:						
Cash flows from operating activities:						
Operating income (loss)	\$ (3,011)	\$ (74)	\$ (1,167)	\$ 140	\$ (4,112)	\$ 1,781
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Interest and dividends on investments	(170)	(16)	(232)	(6)	(424)	(1,311)
Change in assets and liabilities:						
Change in due from	(18)	—	—	—	(18)	(17)
Change in payable to local governments	72	100	293	—	465	(50)
Change in accrued liabilities	(1)	—	—	—	(1)	2
Change in accounts payable	9	—	—	(4)	5	27
Change in due to	(1)	—	—	—	(1)	(14)
Total adjustments to operating income	(109)	84	61	(10)	26	(1,363)
Net cash provided by (used for) operating activities	(3,120)	10	(1,106)	130	(4,086)	418
Cash flows from investing activities:						
Interest and dividends on investments	170	16	232	6	424	1,311
Net cash provided for investing activities	170	16	232	6	424	1,311
Net increase (decrease) in cash and cash equivalents	(2,950)	26	(874)	136	(3,662)	1,729
Cash and cash equivalents at beginning of year	6,766	489	13,073	2,775	23,103	21,374
Cash and cash equivalents at end of year	\$ 3,816	\$ 515	\$ 12,199	\$ 2,911	\$ 19,441	\$ 23,103

Agency Funds — Combining Statement of Changes in Assets and Liabilities

Year Ended March 31, 2002
(Amounts in thousands)

	Balance April 1, 2001	Additions	Deductions	Balance March 31, 2002
Employees Health Insurance				
ASSETS:				
Cash and investments	\$ 113,677	\$ 3,369,103	\$ 3,393,024	\$ 89,756
Receivables, net of allowances for uncollectibles:				
Other	18,579	24,615	18,579	24,615
Due from other funds	—	8,209	8,193	16
Other assets	93,881	116,212	93,881	116,212
Total assets	\$ 226,137	\$ 3,518,139	\$ 3,513,677	\$ 230,599
LIABILITIES:				
Payable to local governments	\$ 93,881	\$ 116,212	\$ 93,881	\$ 116,212
Accrued liabilities	56,046	4,345,682	4,290,723	111,005
Accounts payable	75,858	3,206,454	3,279,709	2,603
Due to other funds	352	8,822	8,395	779
Total liabilities	\$ 226,137	\$ 7,677,170	\$ 7,672,708	\$ 230,599
Social Security Contribution				
ASSETS:				
Cash and investments	\$ 17,836	\$ 830,084	\$ 829,001	\$ 18,919
Due from other funds	—	1,520	1,520	—
Total assets	\$ 17,836	\$ 831,604	\$ 830,521	\$ 18,919
LIABILITIES:				
Accrued liabilities	\$ 17,318	\$ 871,343	\$ 870,286	\$ 18,375
Accounts payable	518	827,561	827,535	544
Total liabilities	\$ 17,836	\$ 1,698,904	\$ 1,697,821	\$ 18,919
NYS Employee Payroll Withholding				
ASSETS:				
Cash and investments	\$ 21,492	\$ 3,143,342	\$ 3,142,196	\$ 22,638
Due from other funds	4	2,696	2,700	—
Total assets	\$ 21,496	\$ 3,146,038	\$ 3,144,896	\$ 22,638
LIABILITIES:				
Accrued liabilities	\$ —	\$ 3,212,705	\$ 3,212,705	\$ —
Accounts payable	8,665	2,577,848	2,577,649	8,864
Due to other funds	12,831	55,676	54,733	13,774
Total liabilities	\$ 21,496	\$ 5,846,229	\$ 5,845,087	\$ 22,638

(Continued)

Agency Funds — Combining Statement of Changes in Assets and Liabilities (cont'd)

Year Ended March 31, 2002
(Amounts in thousands)

	Balance April 1, 2001	Additions	Deductions	Balance March 31, 2002
Employees Dental Insurance Fund				
ASSETS:				
Cash and investments	\$ 12,587	\$ 68,092	\$ 76,860	\$ 3,819
Receivables, net of allowances for uncollectibles:				
Other	153	95	153	95
Due from other funds	181	42,086	41,853	414
Total assets	\$ 12,921	\$ 110,273	\$ 118,866	\$ 4,328
LIABILITIES:				
Payable to local governments	\$ 153	\$ 95	\$ 153	\$ 95
Accrued liabilities	12,768	96,812	109,288	292
Accounts payable	—	74,325	70,384	3,941
Total liabilities	\$ 12,921	\$ 171,232	\$ 179,825	\$ 4,328
Management Confidential Group Insurance				
ASSETS:				
Cash and investments	\$ 3,583	\$ 6,156	\$ 5,982	\$ 3,757
Due from other funds	—	136	136	—
Total assets	\$ 3,583	\$ 6,292	\$ 6,118	\$ 3,757
LIABILITIES:				
Accrued liabilities	\$ 3,132	\$ 2,941	\$ 2,701	\$ 3,372
Accounts payable	451	5,423	5,489	385
Total liabilities	\$ 3,583	\$ 8,364	\$ 8,190	\$ 3,757
Lottery Prize				
ASSETS:				
Cash and investments	\$ 1,829,446	\$ 2,239,828	\$ 2,344,078	\$ 1,725,196
Receivables, net of allowances for uncollectibles:				
Other	123,432	168,288	123,432	168,288
Due from other funds	—	4,623	4,623	—
Total assets	\$ 1,952,878	\$ 2,412,739	\$ 2,472,133	\$ 1,893,484
LIABILITIES:				
Accrued liabilities	\$ 1,952,878	\$ 2,204,123	\$ 2,263,517	\$ 1,893,484
Accounts payable	—	673,503	673,503	—
Due to other funds	—	493	493	—
Total liabilities	\$ 1,952,878	\$ 2,878,119	\$ 2,937,513	\$ 1,893,484

Agency Funds — Combining Statement of Changes in Assets and Liabilities (cont'd)

Year Ended March 31, 2002

(Amounts in thousands)

	Balance April 1, 2001	Additions	Deductions	Balance March 31, 2002
CUNY Senior College Operating				
ASSETS:				
Cash and investments	\$ 33,366	\$ 924,889	\$ 944,581	\$ 13,674
Due from other funds	776	38,579	38,957	398
Other assets	10	7	10	7
Total assets	\$ 34,152	\$ 963,475	\$ 983,548	\$ 14,079
LIABILITIES:				
Accrued liabilities	\$ 27,666	\$ 1,056,188	\$ 1,076,839	\$ 7,015
Accounts payable	6,135	953,145	952,703	6,577
Due to other funds	351	30,651	30,515	487
Total liabilities	\$ 34,152	\$ 2,039,984	\$ 2,060,057	\$ 14,079
MMIS Statewide Escrow				
ASSETS:				
Cash and investments	\$ 282,201	\$ 28,637,261	\$ 28,576,925	\$ 342,537
Due from other funds	—	476,089	476,089	—
Total assets	\$ 282,201	\$ 29,113,350	\$ 29,053,014	\$ 342,537
LIABILITIES:				
Payable to local governments	\$ 187	\$ 1,974,748	\$ 1,974,001	\$ 934
Accrued liabilities	281,952	30,072,356	30,041,363	312,945
Accounts payable	62	25,712,470	25,711,314	1,218
Due to other funds	—	134,760	107,320	27,440
Total liabilities	\$ 282,201	\$ 57,894,334	\$ 57,833,998	\$ 342,537
Sole Custody				
ASSETS:				
Cash and investments	\$ 2,709,803	\$ 2,601,560	\$ 2,709,803	\$ 2,601,560
Receivables, net of allowances for uncollectibles:				
Other	11,630	9,483	11,630	9,483
Due from other funds	9,265	8,847	9,265	8,847
Total assets	\$ 2,730,698	\$ 2,619,890	\$ 2,730,698	\$ 2,619,890
LIABILITIES:				
Payable to local governments	\$ 1,778,484	\$ 1,382,615	\$ 1,778,484	\$ 1,382,615
Accrued liabilities	952,214	1,237,275	952,214	1,237,275
Total liabilities	\$ 2,730,698	\$ 2,619,890	\$ 2,730,698	\$ 2,619,890

(Continued)

Agency Funds — Combining Statement of Changes in Assets and Liabilities (cont'd)

Year Ended March 31, 2002

(Amounts in thousands)

	Balance April 1, 2001	Additions	Deductions	Balance March 31, 2002
Miscellaneous				
ASSETS:				
Cash and investments	\$ 552,278	\$ 3,090,088	\$ 3,118,622	\$ 523,744
Receivables, net of allowances for uncollectibles:				
Other	58,579	80,911	58,579	80,911
Due from other funds	12,324	1,207,176	1,172,044	47,456
Total assets	\$ 623,181	\$ 4,378,175	\$ 4,349,245	\$ 652,111
LIABILITIES:				
Payable to local governments	\$ 11,086	\$ 273,148	\$ 269,036	\$ 15,198
Accrued liabilities	540,257	6,338,899	6,321,626	557,530
Accounts payable	4,911	538,848	536,784	6,975
Due to other funds	66,927	395,124	389,643	72,408
Total liabilities	\$ 623,181	\$ 7,546,019	\$ 7,517,089	\$ 652,111
Total Assets and Liabilities — All Agency Funds				
ASSETS:				
Cash and investments	\$ 5,576,269	\$ 44,910,403	\$ 45,141,072	\$ 5,345,600
Receivables, net of allowances for uncollectibles:				
Other	212,373	283,392	212,373	283,392
Due from other funds	22,550	1,789,961	1,755,380	57,131
Other assets	93,891	116,219	93,891	116,219
Total assets	\$ 5,905,083	\$ 47,099,975	\$ 47,202,716	\$ 5,802,342
LIABILITIES:				
Payable to local governments	\$ 1,883,791	\$ 3,746,818	\$ 4,115,555	\$ 1,515,054
Accrued liabilities	3,844,231	49,438,324	49,141,262	4,141,293
Accounts payable	96,600	34,569,577	34,635,070	31,107
Due to other funds	80,461	625,526	591,099	114,888
Total liabilities	\$ 5,905,083	\$ 88,380,245	\$ 88,482,986	\$ 5,802,342





Component Units — Public Benefit Corporations

Public benefit corporations (corporations) are legally separate entities that are not operating departments of the State. The corporations are managed independently, outside the appropriated budget process and their powers generally are vested in a governing board. Corporations are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts. The Governor, with the approval of the State Senate, appoints most members of the Board of most corporations and either the Governor or the Board selects the Chairman and chief operating officer.

Component Units — Public Benefit Corporations — Combining Balance Sheet

March 31, 2002

(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Long Island Power Authority	Urban Development Corporation
ASSETS:						
Cash and investments	\$ 1,270,690	\$ 252,484	\$ 6,184,230	\$ 7,591,217	\$ 688,369	\$ 1,049,146
Receivables, net of allowances for uncollectibles:						
Loans and leases	—	—	—	23,531,382	—	4,772,726
Other	711,608	42,963	2,544,857	810,414	198,277	30,968
Fixed assets, net of depreciation	2,807,015	3,523,307	26,645,958	24,217	2,299,389	31,601
Other assets	469,454	15,504	2,040,063	—	4,892,011	65,550
Total assets	\$ 5,258,767	\$ 3,834,258	\$ 37,415,108	\$ 31,957,230	\$ 8,078,046	\$ 5,949,991
LIABILITIES:						
Accrued liabilities	\$ 351,704	\$ 118,128	\$ 1,718,414	\$ 1,343,189	\$ 366,643	\$ 335,553
Pension contributions payable	—	—	81,883	—	—	—
Accounts payable	—	—	520,510	—	—	—
Deferred revenues	156,667	20,527	235,632	34,103	—	11,479
Notes payable	643,806	—	300,000	—	—	60,104
Bonds payable	1,638,038	1,427,003	15,292,534	29,696,018	7,642,215	4,893,791
Other long-term liabilities	868,728	—	2,764,308	—	98,467	482,148
Total liabilities	3,658,943	1,565,658	20,913,281	31,073,310	8,107,325	5,783,075
EQUITY (DEFICIT):						
Contributed capital	—	—	12,053,139	—	—	—
Retained earnings	1,599,824	2,268,600	4,448,688	883,920	(29,279)	166,916
Total equity (deficit)	1,599,824	2,268,600	16,501,827	883,920	(29,279)	166,916
Total liabilities and equity (deficit)	\$ 5,258,767	\$ 3,834,258	\$ 37,415,108	\$ 31,957,230	\$ 8,078,046	\$ 5,949,991

State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Other Entities	Total	Eliminations	Totals	
						2002	2001
\$ 7,578,988	\$ 1,929,972	\$ 2,780,488	\$ 2,835,175	\$ 32,160,759	\$ (3,237,996)	\$ 28,922,763	\$ 27,164,366
—	3,716,398	4,662,635	4,837,300	41,520,441	(15,295,295)	26,225,146	23,930,608
342,539	46,371	132,791	393,066	5,253,854	(1,838,145)	3,415,709	3,931,096
7,983	—	715	1,939,230	37,279,415	(259,463)	37,019,952	34,521,261
10,049	41,244	—	101,903	7,635,778	(157)	7,635,621	6,957,861
<u>\$ 7,939,559</u>	<u>\$ 5,733,985</u>	<u>\$ 7,576,629</u>	<u>\$ 10,106,674</u>	<u>\$ 123,850,247</u>	<u>\$ (20,631,056)</u>	<u>\$ 103,219,191</u>	<u>\$ 96,505,192</u>
\$ 7,611,633	\$ 257,013	\$ 281,038	\$ 1,034,145	\$ 13,417,460	\$ (42,266)	\$ 13,375,194	\$ 12,839,301
—	—	—	69	81,952	—	81,952	77,278
—	—	—	61,110	581,620	(5,579)	576,041	497,511
327,926	—	—	336,075	1,122,409	(8,792)	1,113,617	1,222,108
—	—	—	61,668	1,065,578	(60,104)	1,005,474	502,820
—	4,273,100	4,274,885	6,280,666	75,418,250	(20,443,061)	54,975,189	51,320,918
—	—	—	184,251	4,397,902	(57,500)	4,340,402	3,748,346
<u>7,939,559</u>	<u>4,530,113</u>	<u>4,555,923</u>	<u>7,957,984</u>	<u>96,085,171</u>	<u>(20,617,302)</u>	<u>75,467,869</u>	<u>70,208,282</u>
—	—	2,420,063	762,704	15,235,906	—	15,235,906	15,318,382
—	1,203,872	600,643	1,385,986	12,529,170	(13,754)	12,515,416	10,978,528
<u>—</u>	<u>1,203,872</u>	<u>3,020,706</u>	<u>2,148,690</u>	<u>27,765,076</u>	<u>(13,754)</u>	<u>27,751,322</u>	<u>26,296,910</u>
<u>\$ 7,939,559</u>	<u>\$ 5,733,985</u>	<u>\$ 7,576,629</u>	<u>\$ 10,106,674</u>	<u>\$ 123,850,247</u>	<u>\$ (20,631,056)</u>	<u>\$ 103,219,191</u>	<u>\$ 96,505,192</u>

Component Units — Public Benefit Corporations — Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits)

Year Ended March 31, 2002

(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Long Island Power Authority	Urban Development Corporation
OPERATING REVENUES:						
Charges for services	\$ 2,016,021	\$ 411,792	\$ 3,901,876	\$ 75,778	\$ 2,367,900	\$ —
Financing income	—	—	—	1,439,214	—	65,057
Investment earnings	—	—	—	117,251	—	41,391
Miscellaneous	2,787	24,938	149,696	167,289	—	7,437
Total operating revenues ...	2,018,808	436,730	4,051,572	1,799,532	2,367,900	113,885
OPERATING EXPENSES:						
Operations	1,855,425	266,804	5,649,768	285,593	1,995,580	268,003
Depreciation and amortization	135,690	—	1,067,752	2,133	73,922	1,562
Interest	—	—	—	1,481,979	—	296,846
Total operating expenses ...	1,991,115	266,804	6,717,520	1,769,705	2,069,502	566,411
Operating income (loss)	27,693	169,926	(2,665,948)	29,827	298,398	(452,526)
NONOPERATING REVENUES (EXPENSES):						
Non-State subsidies and grants	—	36,069	2,353,971	—	—	29,044
Interest revenues	88,169	11,499	—	—	28,088	—
Interest expenses	(96,970)	(71,753)	(510,264)	—	(342,506)	—
Other, net	(557)	(85,876)	(154,981)	—	48,411	—
Net nonoperating revenues (expenses)	(9,358)	(110,061)	1,688,726	—	(266,007)	29,044
Income (loss) before operating transfers	18,335	59,865	(977,222)	29,827	32,391	(423,482)
Operating transfers from primary government	—	—	1,366,910	—	—	455,579
Operating transfers to primary government	—	—	—	(33,628)	—	—
Income (loss)	18,335	59,865	389,688	(3,801)	32,391	32,097
Depreciation charged to contributed capital	—	—	—	—	—	—
Increase (decrease) in retained earnings	18,335	59,865	389,688	(3,801)	32,391	32,097
Retained earnings at beginning of year, as restated	1,581,489	2,208,735	4,059,000	887,721	(61,670)	134,819
Retained earnings (deficit) at end of year	\$ 1,599,824	\$ 2,268,600	\$ 4,448,688	\$ 883,920	\$ (29,279)	\$ 166,916

State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Other Entities	Total	Eliminations	Totals	
						2002	2001
\$ 1,216,498	\$ —	\$ 3,689	\$ 423,586	\$ 10,417,140	\$ —	\$ 10,417,140	\$ 10,007,947
—	261,403	216,936	481,816	2,464,426	(1,052,177)	1,412,249	1,409,924
534,602	91,212	105,729	62,485	952,670	—	952,670	990,367
36,244	67,486	1	233,474	689,352	(2,439)	686,913	556,229
1,787,344	420,101	326,355	1,201,361	14,523,588	(1,054,616)	13,468,972	12,964,467
1,588,068	72,106	126,832	2,041,947	14,150,126	(46,186)	14,103,940	12,623,605
500	4,702	69	104,776	1,391,106	(91)	1,391,015	1,396,315
—	245,927	199,441	256,840	2,481,033	(1,052,177)	1,428,856	1,440,381
1,588,568	322,735	326,342	2,403,563	18,022,265	(1,098,454)	16,923,811	15,460,301
198,776	97,366	13	(1,202,202)	(3,498,677)	43,838	(3,454,839)	(2,495,834)
—	—	4,855	1,075,301	3,499,240	(45,578)	3,453,662	1,244,974
—	—	—	45,596	173,352	(1,276)	172,076	213,815
—	—	—	(56,603)	(1,078,096)	101,030	(977,066)	(1,040,852)
(198,776)	81,339	371,031	(25,609)	34,982	—	34,982	(562,990)
(198,776)	81,339	375,886	1,038,685	2,629,478	54,176	2,683,654	(145,053)
—	178,705	375,899	(163,517)	(869,199)	98,014	(771,185)	(2,640,887)
—	—	25,378	343,908	2,191,775	(100,581)	2,091,194	2,015,265
—	—	—	(8,048)	(41,676)	—	(41,676)	(15,579)
—	178,705	401,277	172,343	1,280,900	(2,576)	1,278,333	(641,201)
—	—	—	817	817	—	817	49,057
—	178,705	401,277	173,160	1,281,717	(2,567)	1,279,150	(592,144)
—	1,025,167	199,366	1,212,826	11,247,453	(11,187)	11,236,266	11,570,672
\$ —	\$ 1,203,872	\$ 600,643	\$ 1,385,986	\$ 12,529,170	\$ (13,754)	\$ 12,515,416	\$ 10,978,528

Component Units — Public Benefit Corporations — Combining Statement of Cash Flows

Year Ended March 31, 2002

(Amounts in thousands)

	Power Authority	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority
SOURCES OF CASH AND INVESTMENTS:				
Cash flows from operating activities:				
Operating income (loss)	\$ 27,693	\$ 169,926	\$ (2,665,948)	\$ 29,827
Adjustments to reconcile operating income(loss)				
net cash provided by operating activities:				
Depreciation and amortization	135,690	—	1,067,752	2,133
Interest paid on operating debt	—	—	—	1,481,979
Interest and dividends on investments	—	—	—	(117,251)
Other	(36,422)	(85,876)	331,946	—
Change in assets and liabilities:				
Change in loans and leases receivables	—	—	—	(635,259)
Change in other receivables	106,604	(5,486)	601,081	(70,261)
Change in other assets	(45,844)	(350)	(594,566)	—
Change in accrued liabilities	24,798	35,234	123,324	84,129
Change in pension contributions payable	—	—	4,693	—
Change in accounts payable	—	—	82,946	—
Change in deferred revenue	(133,529)	4,710	(1,549)	7,646
Total adjustments to operating income (loss)	51,297	(51,768)	1,615,627	753,116
Net cash provided by (used for) operating activities	78,990	118,158	(1,050,321)	782,943
Cash flows from noncapital financing activities:				
Borrowing of operating debt	123,687	—	—	2,890,131
Repayment of operating debt	(115,988)	—	—	(1,883,683)
Interest paid on operating debt	(7,970)	—	—	(1,481,979)
Operating grants received	—	36,069	2,353,971	—
Operating transfers from	—	—	1,366,910	—
Operating transfers (to)	—	—	—	(33,628)
Repayment of other long-term liabilities	(90,758)	—	—	—
Proceeds from other long-term liabilities	182,882	—	—	—
Net cash provided by (used for) noncapital financing activities	91,853	36,069	3,720,881	(509,159)
Cash flows from capital and related financing activities:				
Proceeds from issuance of bonds	191,360	119,634	2,978,894	—
Proceeds from issuance of notes	266,702	—	300,000	—
Repayment of bonds	(465,245)	—	(1,681,273)	—
Repayment of notes	(77,673)	—	—	—
Interest paid on bonds and notes	(87,259)	(71,753)	(510,264)	—
Capital contributions	—	—	—	—
Acquisition and construction of capital assets	(502,404)	(219,207)	(2,762,195)	(783)
Other	(4,573)	—	(115,417)	—
Net cash provided by (used for) capital and related financing activities	(679,092)	(171,326)	(1,790,255)	(783)
Cash flows from investing activities:				
Purchase of investment securities	(9,524,728)	—	(4,568,307)	(18,369,523)
Proceeds from sale and maturities of investment securities	9,997,639	9,543	3,699,322	18,002,986
Interest and dividends on investments	37,342	11,499	—	117,251
Net cash provided by (used for) investing activities	510,253	21,042	(868,985)	(249,286)
Net increase (decrease) in cash and cash equivalents	2,004	3,943	11,320	23,715
Cash and cash equivalents at beginning of year, as restated	902	24,604	66,751	5,519
Cash and cash equivalents at end of year	\$ 2,906	\$ 28,547	\$ 78,071	\$ 29,234

Long Island Power Authority	Urban Development Corporation	State Insurance Fund	SONY Mortgage Agency	Environmental Facilities Corporation	Other Entities	Total	Eliminations	Totals	
								2002	2001
\$ 298,398	\$ (452,526)	\$ 198,776	\$ 97,366	\$ 13	\$ (1,202,202)	\$ (3,498,677)	\$ 43,838	\$ (3,454,839)	\$ (2,534,282)
73,922	1,562	500	4,702	69	104,776	1,391,106	(91)	1,391,015	1,396,315
—	296,846	—	245,927	199,441	256,840	2,481,033	—	2,481,033	2,495,510
—	(41,391)	(534,602)	(91,212)	(105,729)	(62,485)	(952,670)	—	(952,670)	(990,367)
48,411	—	(198,776)	76,637	371,031	(26,891)	480,060	—	480,060	(74,256)
—	60,958	—	132,704	(516,112)	(215,959)	(1,173,668)	(1,124,007)	(2,297,675)	(451,036)
12,121	(2,189)	198,359	(6,642)	(46,647)	41,860	828,800	(67,507)	761,293	(833,905)
(33,258)	9,294	(1,155)	2,044	—	(14,093)	(677,928)	—	(677,928)	(345,810)
61,974	(29,059)	174,247	41,859	68,181	(16,943)	567,744	(17,661)	550,083	381,434
—	—	—	—	—	(19)	4,674	—	4,674	(253,184)
—	—	—	—	—	(1,733)	81,213	(4,592)	76,621	(138,775)
—	(835)	27,847	—	—	(14,964)	(110,674)	—	(110,674)	135,041
163,170	295,186	(333,580)	406,019	(29,766)	50,389	2,919,690	(1,213,858)	1,705,832	1,320,967
461,568	(157,340)	(134,804)	503,385	(29,753)	(1,151,813)	(578,987)	(1,170,020)	(1,749,007)	(1,213,315)
—	74,190	—	557,915	1,007,041	511,150	5,164,114	(841,331)	4,322,783	2,927,716
—	(251,111)	—	(465,673)	(187,383)	(288,586)	(3,192,424)	1,077,584	(2,114,840)	(2,448,028)
—	(296,846)	—	(245,927)	(199,441)	(263,586)	(2,495,749)	—	(2,495,749)	(2,502,366)
—	29,044	—	—	4,855	1,075,301	3,499,240	(45,578)	3,453,662	1,284,100
—	455,579	—	—	25,378	343,908	2,191,775	—	2,191,775	1,910,006
—	—	—	—	—	(8,048)	(41,676)	449	(41,227)	(15,579)
—	—	—	—	(7,566)	(1,664)	(99,988)	—	(99,988)	(108,032)
37,512	44,164	—	—	—	2,344	266,902	—	266,902	57,551
37,512	55,020	—	(153,685)	642,884	1,370,819	5,292,194	191,124	5,483,318	1,105,368
1,837,242	—	—	—	—	482	5,127,612	—	5,127,612	3,512,207
—	—	—	—	—	6,300	573,002	—	573,002	61,450
(1,515,073)	—	—	—	—	(72,433)	(3,734,024)	60,000	(3,674,024)	(1,216,635)
—	—	—	—	—	(374)	(78,047)	—	(78,047)	(649,574)
(342,506)	—	—	—	—	(49,857)	(1,061,639)	—	(1,061,639)	(929,220)
—	—	—	—	—	(37,535)	(37,535)	—	(37,535)	2,763,390
(174,713)	(745)	—	—	(438)	(157,089)	(3,817,574)	(8,401)	(3,825,975)	(3,431,462)
(18,673)	—	—	—	—	18,862	(119,801)	(2,481)	(122,282)	104,481
(213,723)	(745)	—	—	(438)	(291,644)	(3,148,006)	49,118	(3,098,888)	214,637
(42,429)	(11,116,305)	(13,533,659)	(5,152,717)	—	(4,567,389)	(66,875,057)	885,600	(65,989,457)	(46,768,305)
—	11,181,051	12,991,853	4,711,494	(726,340)	4,465,894	64,333,442	(7,697)	64,325,745	45,568,977
28,088	41,391	534,602	91,212	105,729	108,081	1,075,195	(1,276)	1,073,919	1,208,048
(14,341)	106,137	(7,204)	(350,011)	(620,611)	6,586	(1,466,420)	876,627	(589,793)	8,720
271,016	3,072	(142,008)	(311)	(7,918)	(66,052)	98,781	(53,351)	45,630	115,410
97,850	7,908	174,921	10,168	80,617	728,692	1,197,932	(142,341)	1,055,591	940,181
\$ 368,866	\$ 10,980	\$ 32,913	\$ 9,857	\$ 72,699	\$ 662,640	\$ 1,296,713	\$ (195,492)	\$ 1,101,221	\$ 1,055,591



Statistical Section

Schedule of Revenues, Expenditures and Other Financing Sources (Uses)

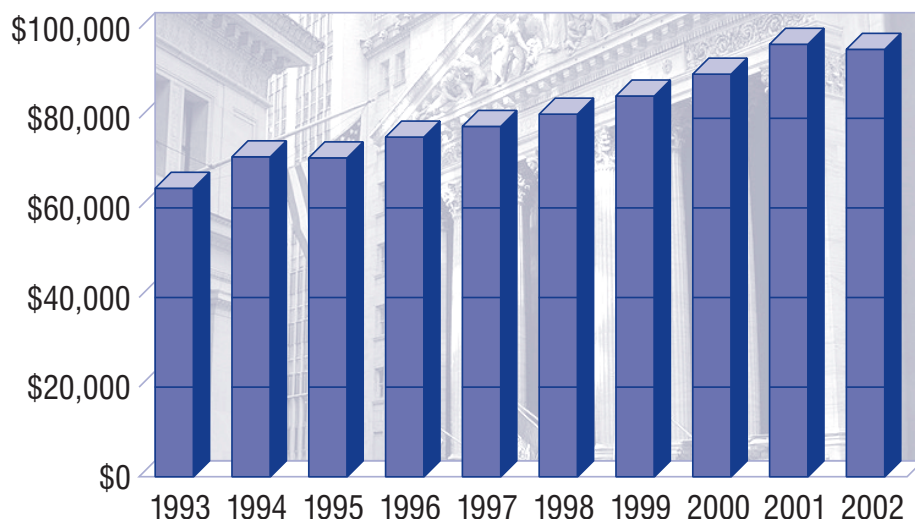
ALL GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(Amounts in millions)

	1992-93	1993-94	1994-95
REVENUES:			
Taxes	\$ 31,333	\$ 32,974	\$ 32,994
Miscellaneous revenues	5,401	5,158	5,997
Federal grants	16,934	18,627	21,481
Total revenues	53,668	56,759	60,472
EXPENDITURES:			
Grants to local governments	35,016	37,716	42,551
Operations of state departments and agencies	11,641	12,074	13,082
Debt service	2,076	2,039	2,132
Capital projects	2,299	2,523	3,122
Disaster assistance—WTC	—	—	—
Total expenditures	51,032	54,352	60,887
Excess (deficiency) revenues over expenditures	2,636	2,407	(415)
OTHER FINANCING SOURCES (USES):			
Bond proceeds	801	458	325
Proceeds from financing arrangements	2,706	6,301	2,352
Transfers from other funds	7,238	7,909	8,051
Transfers to other funds	(10,571)	(11,317)	(11,495)
Payments on advance refundings	(176)	(4,707)	(609)
Net other financing sources (uses)	(2)	(1,356)	(1,376)
Excess (deficiency) of operating revenues and other financing sources over (under) expenditures and other financing uses	\$ 2,634	\$ 1,051	\$ (1,791)

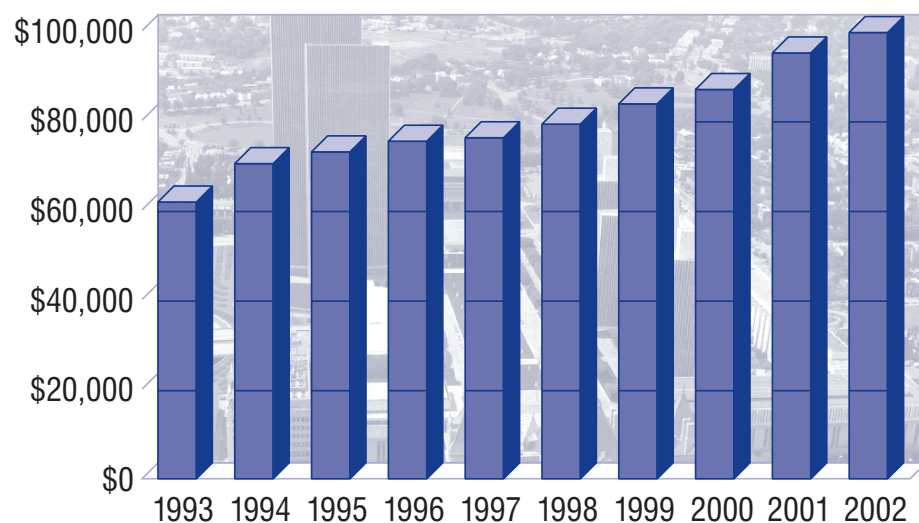
Source: Office of the State Comptroller

REVENUES & OTHER FINANCING SOURCES (AMOUNTS IN MILLIONS)



1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02
\$ 33,507	\$ 35,000	\$ 36,374	\$ 38,985	\$ 41,888	\$ 45,153	\$ 41,676
6,942	8,084	7,698	7,700	10,014	10,866	11,369
22,272	22,329	23,268	24,133	25,367	26,722	29,942
62,721	65,413	67,340	70,818	77,269	82,741	82,987
43,219	43,463	44,667	47,548	51,386	56,093	59,745
13,221	14,055	13,730	13,929	14,426	15,881	16,909
2,334	2,387	2,728	2,889	3,317	3,679	3,392
3,004	2,773	2,983	3,393	3,442	3,448	3,397
—	—	—	—	—	—	1,016
61,778	62,678	64,108	67,759	72,571	79,101	84,459
943	2,735	3,232	3,059	4,698	3,640	(1,472)
188	439	485	358	349	264	211
3,326	3,446	3,354	3,875	2,010	2,398	1,537
9,588	8,912	9,773	9,972	10,294	11,152	10,752
(12,865)	(12,193)	(13,223)	(13,964)	(14,221)	(15,636)	(15,473)
(747)	(1,279)	(1,821)	(1,977)	(100)	(370)	—
(510)	(675)	(1,432)	(1,736)	(1,668)	(2,192)	(2,973)
\$ 433	\$ 2,060	\$ 1,800	\$ 1,323	\$ 3,030	\$ 1,448	\$ (4,445)

EXPENDITURES & OTHER FINANCING USES (AMOUNTS IN MILLIONS)



Schedule of Receipts of Principal State Taxes

LAST TEN FISCAL YEARS

(Amounts in millions)

Fiscal Year	Personal Income	Sales and Use	Motor Fuel	Corporate Franchise	Cigarette	Corporate & Utility	Other Miscellaneous	Total Taxes Collected By Year
1992-93	\$ 15,319	\$ 6,232	\$ 516	\$ 1,886	\$ 555	\$ 1,749	\$ 4,763	\$ 31,020
1993-94	16,034	6,322	500	2,163	708	1,823	5,007	32,557
1994-95	17,589	6,789	485	2,198	727	1,705	4,420	33,913
1995-96	16,998	6,954	502	2,002	693	1,756	4,623	33,528
1996-97	16,371	7,261	472	2,306	667	1,789	4,573	33,439
1997-98	17,759	7,562	492	2,343	676	1,745	4,814	35,391
1998-99	20,662	7,912	502	2,262	667	1,728	4,848	38,581
1999-2000	21,533	8,532	519	2,168	643	1,692	4,642	39,729
2000-2001	26,892	8,732	510	2,631	528	1,009	4,306	44,608
2001-2002	27,414	8,540	489	1,702	532	1,218	4,420	44,315

Source: Office of the State Comptroller & State Division of the Budget

Schedule of State-Related Debt Per Capita

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Debt	State Guaranteed Authority Debt	Lease/Purchase and Contractual Obligation Debt	Moral Obligation Debt	Certificates Of Participation	Local Government Assistance Corporation	Total Debt
1992-93	\$ 282	\$ 26	\$ 741	\$ 434	\$ 35	\$ 202	\$ 1,720
1993-94	283	23	828	399	32	245	1,810
1994-95	277	20	914	386	30	262	1,889
1995-96	262	17	1,051	355	27	290	2,002
1996-97	260	15	1,164	180	28	288	1,935
1997-98	258	14	1,259	76	26	284	1,917
1998-99	255	10	1,360	35	30	282	1,972
1999-2000	248	7	1,435	33	28	268	2,019
2000-2001	229	6	1,418	29	24	249	1,955
2001-2002	218	6	1,442	27	17	243	1,953

Source: Office of the State Comptroller

Schedule of Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total Governmental Funds Expenditures

LAST TEN FISCAL YEARS

(Amounts in millions)

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Funds Expenditures	Percentage of Debt Service to General Governmental Expenditures
1993	\$ 412	\$ 316	\$ 728	\$ 51,032	1.43%
1994	444	317	761	54,352	1.40%
1995	467	312	779	60,887	1.28%
1996	483	281	764	61,778	1.24%
1997	475	265	740	62,678	1.18%
1998	481	258	739	64,108	1.15%
1999	487	252	739	67,759	1.09%
2000	478	240	718	72,571	0.99%
2001	451	226	677	79,101	0.86%
2002	415	209	624	84,459	0.74%

Source: Office of the State Comptroller

Schedule of Demographic Statistics

LAST TEN YEARS

Years	Population (1000s)	% of U.S. Population	Per Capita Personal Income	Unemployment (1000s)	Unemployment %
1992	18,109	7.1	\$ 23,874	734	8.6
1993	18,153	7.0	24,824	663	7.8
1994	18,169	7.0	25,276	593	6.9
1995	18,178	6.9	26,782	498	6.3
1996	18,185	6.9	27,264	495	6.3
1997	18,137	6.8	30,909	514	6.4
1998	18,175	6.7	31,796	461	5.6
1999	18,197	6.7	33,945	431	5.1
2000	18,976	6.7	35,002	397	4.6
2001	19,011	6.7	35,884	370	4.9

Prior to 2000, population numbers were based on estimates.

Source: U.S. Department of Commerce, Census Bureau, N.Y.S. Department of Labor

Schedule of City Populations Within New York State

City	1940	1950	1960	1970	1980	1990	2000
New York City	7,454,995	7,891,957	7,781,984	7,895,563	7,071,639	7,322,564	8,008,278
Buffalo	575,901	580,132	532,759	462,768	357,370	328,123	292,648
Rochester	324,975	332,488	318,611	295,011	241,741	231,636	219,773
Yonkers	142,598	152,798	190,634	204,297	195,351	188,082	196,086
Syracuse	205,967	220,583	216,038	197,297	170,105	163,860	147,306
Albany	130,577	134,995	129,726	115,781	101,727	101,082	95,658
Utica	100,518	101,531	100,410	91,373	75,632	68,637	60,651
Niagara Falls	78,029	90,872	102,394	85,615	71,384	61,840	55,593
Schenectady	87,549	91,785	81,682	77,859	67,972	65,566	61,821
Other Areas	4,378,033	5,233,051	7,328,066	8,816,394	9,205,244	9,459,065	9,838,643
Total State Population	13,479,142	14,830,192	16,782,304	18,241,958	17,558,165	17,990,455	18,976,457

Source: U.S. Department of Commerce — Bureau of Census

Schedule of Ten Largest Industrial & Commercial Employers (2000)

Firm	Location
The Chase Manhattan Bank	New York City
Consolidated Edison	New York City
Eastman Kodak Company	Rochester
Federated Corporate Services, Inc (1)	New York City
International Business Machines Corporation	Endicott
Verizon	New York City
United Parcel Services, Inc	New York City
Wal-Mart Associates, Inc	Various
Wegman's Food Markets, Inc	Rochester
Xerox Corporation	Rochester

(1) Macy's, Bloomingdales, Bon Marche, Sterns, and other stores

Source: New York State Empire State Development Corporation

Schedule of Nonagricultural Employment by Categories

	Percentage Composition of Employment (2001)	
	United States	New York
Construction	5.2%	3.9%
Finance, Insurance and Real Estate	5.3%	5.1%
Government	13.8%	9.9%
Manufacturing and Mining	5.8%	8.6%
Retail Trade	17.8%	15.1%
Services and Other	31.0%	35.5%
Transportation, Communication and Other Utilities	5.3%	5.0%
Wholesale Trade	15.8%	16.9%
Total	100.0%	100.0%

Source: U.S. & N.Y.S. Departments of Labor; U.S. Department of Commerce

Schedule of Miscellaneous Statistics

March 31, 2002

Date Entered Union	July 26, 1788
Form of Government	Legislative—Executive—Judicial
Land Area	49,576 square miles
Miles of State Highways	37,505
Number of State Bridges	7,606

State Police Protection:

Number of Troops	11
Number of State Police Employees	5,257

State University of New York (All Campuses):

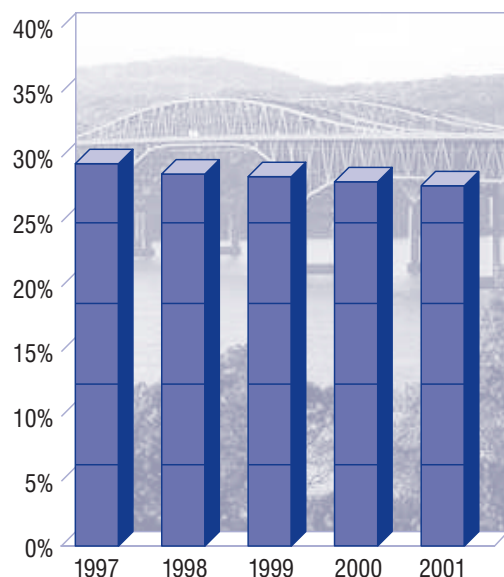
Number of Campuses in State	64
Annual Salaried Positions	35,600
Number of Students	382,000

Recreation:

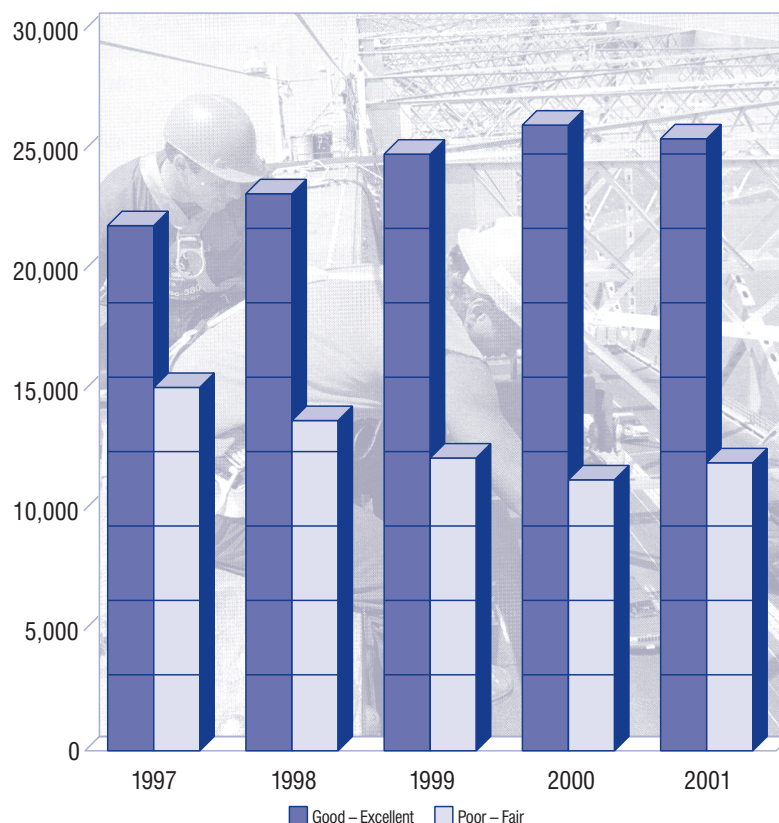
Number of State Parks & Historic Sites	199
Expected Visitors 2002-2003	60 million

Source: 2002-2003 N.Y.S. Executive Budget

DEFICIENT BRIDGES
(PERCENT DEFICIENT)



HIGHWAY CONDITION
(LANE MILES)



Revenue and Other Financing Sources by Type as Percent of Total

COMBINED GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Type	1993	1994	1995	1996
Taxes:				
Personal income	24.32%	23.12%	23.34%	22.86%
Consumption and use	12.79%	12.07%	12.81%	11.88%
General business	9.66%	9.43%	8.64%	8.01%
Other	1.88%	1.55%	1.56%	1.45%
Total taxes	48.65%	46.17%	46.35%	44.20%
Federal grants	26.29%	26.08%	30.17%	29.37%
Lottery	3.66%	3.32%	4.28%	4.76%
Patient fees	0.52%	0.44%	0.52%	0.51%
Miscellaneous	4.20%	3.46%	3.63%	3.88%
Total other than taxes	34.67%	33.30%	38.60%	38.52%
Total financing sources	16.68%	20.53%	15.05%	17.28%
Total revenue and financing sources	100.00%	100.00%	100.00%	100.00%

Source: Office of the State Comptroller

1997	1998	1999	2000	2001	2002
22.95%	23.09%	24.71%	26.24%	28.31%	25.32%
11.86%	12.02%	11.95%	11.90%	11.56%	11.58%
8.34%	8.20%	7.51%	6.82%	5.77%	5.17%
1.59%	1.62%	1.68%	1.62%	1.17%	1.57%
44.74%	44.93%	45.85%	46.58%	46.81%	43.64%
28.55%	28.74%	28.38%	28.21%	27.64%	31.36%
5.10%	4.87%	4.35%	4.04%	4.33%	4.98%
0.52%	0.49%	0.45%	0.42%	0.44%	0.44%
4.71%	4.15%	4.25%	6.68%	6.49%	6.48%
38.88%	38.25%	37.43%	39.35%	38.90%	43.26%
16.38%	16.82%	16.72%	14.07%	14.29%	13.10%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Expenditures and Other Financing Uses by Type as Percent of Total

COMBINED GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Type	1993	1994	1995	1996
Local assistance grants:				
Social services	30.87%	30.37%	34.64%	32.96%
Education	19.16%	17.31%	17.57%	17.78%
General purpose	1.05%	1.27%	0.95%	1.10%
Mental hygiene	1.80%	1.48%	1.56%	1.55%
Health and environment	1.34%	1.14%	1.20%	1.74%
Transportation	0.58%	0.56%	0.90%	0.58%
Criminal justice	0.43%	0.35%	0.36%	0.36%
Other programs	1.44%	1.11%	1.13%	1.25%
Total local assistance grants	56.67%	53.59%	58.31%	57.32%
Personal service	10.23%	9.28%	9.40%	8.77%
Non-personal service	6.05%	5.59%	6.01%	6.26%
Pension and other fringe benefits	2.57%	2.28%	2.52%	2.50%
Capital construction	3.72%	3.59%	4.28%	3.98%
Debt service	3.36%	2.90%	2.92%	3.09%
Disaster assistance—WTC	—	—	—	—
Total other than grants	25.93%	23.64%	25.13%	24.60%
Total financing uses	17.40%	22.77%	16.56%	18.08%
Total expenditures and financing uses	100.00%	100.00%	100.00%	100.00%

Source: Office of the State Comptroller

1997	1998	1999	2000	2001	2002
32.45%	32.38%	31.16%	32.38%	31.85%	31.99%
17.99%	18.07%	19.14%	20.05%	20.41%	20.73%
1.07%	0.73%	1.09%	1.06%	1.03%	0.96%
1.50%	1.33%	1.29%	1.32%	1.27%	1.34%
1.79%	1.65%	1.92%	2.32%	2.71%	2.87%
0.64%	0.76%	0.76%	0.81%	0.38%	0.48%
0.35%	0.40%	0.39%	0.39%	0.38%	0.28%
1.28%	1.11%	1.06%	0.92%	0.94%	1.14%
57.07%	56.43%	56.81%	59.25%	58.97%	59.79%
8.48%	8.36%	8.13%	8.17%	7.96%	7.75%
6.82%	6.69%	6.22%	6.20%	6.54%	6.65%
3.16%	2.30%	2.30%	2.11%	2.20%	2.52%
3.64%	3.77%	4.05%	3.96%	3.63%	3.40%
3.13%	3.44%	3.44%	3.82%	3.87%	3.39%
—	—	—	—	—	1.02%
25.23%	24.56%	24.14%	24.26%	24.20%	24.73%
17.70%	19.01%	19.05%	16.49%	16.83%	15.48%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

State Supported Long-Term Debt By Type Principal and Interest

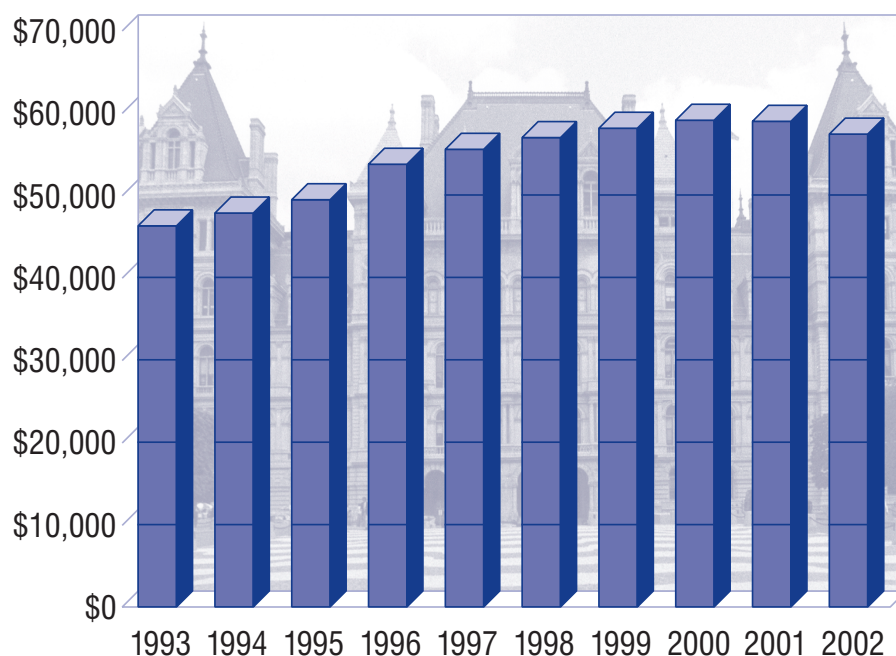
FOR THE PERIOD 1993-2002

(Amounts in thousands)

Type	1993	1994	1995	1996
General Obligation				
Total Debt	\$ 7,696,041	\$ 7,603,646	\$ 7,263,212	\$ 6,780,333
Percent of Total	16.62%	15.88%	14.68%	12.60%
Change from Prior Year	4.97%	-1.20%	-4.48%	-6.65%
Lease/Purchase and Other Financing Arrangements				
Total Debt	\$ 29,454,598	\$ 30,283,071	\$ 31,859,912	\$ 35,797,477
Percent of Total	63.60%	63.27%	64.39%	66.55%
Change from Prior Year	5.52%	2.81%	5.21%	12.36%
Certificates of Participation				
Total Debt	\$ 893,958	\$ 797,222	\$ 738,090	\$ 658,183
Percent of Total	1.93%	1.67%	1.49%	1.22%
Change from Prior Year	-6.26%	-10.82%	-7.42%	-10.83%
Local Government Assistance Corporation				
Total Debt	\$ 8,264,946	\$ 9,182,946	\$ 9,619,181	\$ 10,555,071
Percent of Total	17.85%	19.18%	19.44%	19.62%
Change from Prior Year	29.85%	11.11%	4.75%	9.73%
Total Debt				
Total Debt	\$ 46,309,543	\$ 47,866,885	\$ 49,480,395	\$ 53,791,064
Percent of Total	100.00%	100.00%	100.00%	100.00%
Change from Prior Year	8.80%	3.36%	3.37%	8.71%

Source: Office of the State Comptroller

**STATE SUPPORTED LONG-TERM DEBT
PRINCIPAL & INTEREST**
(AMOUNTS IN MILLIONS)



1997			1998			1999			2000			2001			2002		
\$	6,725,722		\$	6,743,107		\$	6,487,508		\$	6,382,823		\$	6,038,233		\$	5,449,575	
	12.09%			11.82%			11.15%			10.79%			10.23%			9.48%	
	-0.81%			0.26%			-3.79%			-1.61%			-5.40%			-9.75%	
\$	38,144,723		\$	40,048,913		\$	41,747,961		\$	43,432,522		\$	44,112,219		\$	44,285,350	
	68.56%			70.19%			71.76%			73.43%			74.76%			77.05%	
	6.56%			4.99%			4.24%			4.04%			1.56%			0.39%	
\$	635,111		\$	573,213		\$	647,610		\$	593,264		\$	522,154		\$	364,018	
	1.14%			1.00%			1.11%			1.00%			0.88%			0.63%	
	-3.51%			-9.75%			12.98%			-8.39			-11.99%			-30.29%	
\$	10,128,774		\$	9,692,778		\$	9,293,368		\$	8,742,629		\$	8,334,903		\$	7,379,794	
	18.21%			16.99%			15.98%			14.78%			14.13%			12.84%	
	-4.04%			-4.30%			-4.12%			-5.93%			-4.66%			-11.46%	
\$	55,634,330		\$	57,058,011		\$	58,176,447		\$	59,151,238		\$	59,007,509		\$	57,478,737	
	100.00%			100.00%			100.00%			100.00%			100.00%			100.00%	
	3.43%			2.56%			1.96%			1.68%			-0.24%			-2.59%	

STATE OF NEW YORK

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